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Japan

Talks With U.S. Over Telecom Targets Reported

OW0612125393 Tokyo KYODO in English 1229 GMT 6 Dec 93

[Text] Tokyo, Dec. 6 KYODO—Japan and the United States remained at loggerheads Monday [6 December] over a U.S. demand that Japan introduce numerical targets for government procurement of foreign telecommunications equipment, Japanese Government officials said.

At the sector-by-sector discussions under the bilateral trade framework negotiations, the U.S. asked Japan to set "objective criteria" in this area using figures of other Group of Seven industrial nations as a reference, the officials said.

Japan rejected the request advanced in the communications equipment talks that started earlier in the day and will continue through Tuesday.

The U.S. side also complained that bidding procedures for Japanese Government procurement of telecommunications equipment are not clear, with little information available, they said.

Japan reportedly replied it plans to respond to the complaint with such measures as an early announcement in official gazettes of the schedules for large-scale procurements.

Delegates 'at Odds' Over Criteria

OW0712122293 Tokyo KYODO in English 1203 GMT 7 Dec 93

[Text] Tokyo, Dec. 7 KYODO—Japan and the United States ended two days of trade talks on telecommunications Tuesday [7 December] but remained at odds over interpretation of "objective criteria," a Japanese Government official said.

At the working-level discussions under the bilateral trade framework negotiations, the two sides failed to bridge the difference in concept of the criteria for government procurement of foreign telecommunications equipment, the official said.

"We differ in essential aim (of setting the criteria)...A quite big gap remained between both proposals," the official said on condition of anonymity.

The U.S. has asked Japan to introduce numerical targets to attain tangible results in Japanese Government procurement of telecommunications equipment, while Japan has rejected the request during the past two rounds of the sector-by-sector talks.

Both sides have already submitted their own proposals on objective criteria to assess the implementation of measures taken in this area as agreed to at a bilateral meeting in July.

In the third round of talks, Japan made an additional proposal of two criteria—statistics, including the number or value of contracts by procurement form, and foreign companies' efforts to use procurement opportunities such as the frequency of their participation in prebidding explanatory meetings, the official said.

The U.S. side welcomed Japan's first offer of quantitative criteria, a U.S. Government official said but noted "wide gaps continue to exist" in criteria, procedures and in deciding which government entities the agreement would cover.

The Japanese official said Tokyo seeks a process-focused approach aimed at creating transparent competition policies, while Washington prefers a result-oriented approach.

Though there has been no settlement yet, the official said the talks proved to be "meaningful" since the two sides had close, detailed discussions.

On "entity coverage," the U.S. official said, NTT [Nippon Telegraph & Telephone] is probably the area where there is the widest disagreement over the entity that should be covered," explaining the U.S. views NTT—the major procurer of telecommunications equipment in Japan—as a government entity because the government owns two-thirds of it.

Although the U.S. side is willing to "consult" on Washington's procurement practices, "we are not prepared to negotiate on matters relating to procurement by the U.S. Government" because the framework agreement aims to widen access to foreign products and services in Japan, not America, said the U.S. official, who asked not to be named.

"I don't think my counterparts are confused," the U.S. official said, "I think my counterparts are using the media to confuse the situation."

At least one more round of working-level talks would be necessary to work out a compromise, the Japanese official said, adding it is expected to take place early in January, possibly in Washington.

Government procurement is one of the priority areas under the framework talks, measures for which are expected to be agreed to at a meeting between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton, scheduled for February 11.

Sanyo on Producing Memory Chips With U.S. Firm

OW0712115193 Tokyo KYODO in English 1120 GMT 7 Dec 93

[Text] Osaka, Dec. 7 KYODO—Sanyo Electric Co. said Tuesday [7 December] it will enter into the flash memory chip market by forming a partnership with a U.S. company.

The Osaka-based company said it will begin mass-production of flash memory chips next February with technological assistance from the California-based Silicon Storage Technology Inc.

Initially, it will produce one-megabit chips and in May start making four-megabit chips. Output of 16-megabit chips and chips with vaster memories are scheduled for 1995 and thereafter.

For the project, the company plans to expand its Niigata base with capital investments worth 22 billion yen.

Flash memory chips enable the storage of computer data even after electricity is turned off. They are expected to replace hard disks and floppy disks in many portable computers because they can erase data at will.

Sanyo officials said the company will scale down its production of Dynamic Random Access Memories (DRAMs) in the future to concentrate on manufacturing flash memory chips.

Sanyo has been faced with stiff competition from South Korean makers in its DRAM business.

Official on Global Cooperation Talks With U.S.

OW0812080793 Tokyo KYODO in English 0711 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Japan and the U.S. agreed Wednesday [8 December] to draw up an action plan on bilateral cooperation on global problems such as the environment, technology, development of human resources, population and AIDS, Japanese and U.S. officials said. The two nations will announce the plan in February at a summit meeting between U.S. President Bill Clinton and Japanese Prime Minister Morihiro Hosokawa in Washington, Deputy Foreign Minister Koichiro Matsuura told a joint press conference.

Japan and the U.S. reached the agreement during a second round of talks on a common agenda for global cooperation under a trade framework agreement reached between the two nations in July.

The meeting was held Wednesday morning at the Foreign Ministry. Matsuura headed the Japanese delegation and the U.S. side was led by Timothy Wirth, a State Department counselor.

During the meeting, Japan and the U.S. agreed that Russia's dumping of radioactive waste into the Sea of Japan was a "regrettable" act and agreed to continue exchanging information and discussing the matter, Matsuura said.

James Baker, U.S. undersecretary of commerce for oceanic and atmospheric affairs, told the news conference the countries strongly oppose any dumping of radioactive waste under the London Dumping Convention.

"We believe that Russians have acted in violation of the agreement by the London Dumping Convention," Baker said. "Our joint support of the ban on dumping has been an important new step here," he said.

The two sides agreed to start a fellowship program for engineers from January. Some 30 U.S. engineers from companies such as Ford Motor Co. and General Motors Corp. will study for a year at Japanese firms like Toyota Motor Corp., Nissan Motor Co., Hitachi Ltd. and Sony Corp.

For the next fiscal year, about 100 engineers will come to Japan under the fellowship.

Japan and the U.S. also discussed setting up a committee to cooperate on improvement of the environment in central and eastern Europe and are close to agreement on its establishment, Matsuura said.

Wirth said the two nations' cooperation in the area will make a "significant contribution in helping clean up enormous environmental problems that plague" the region.

Additional Rice Compromise Reached With U.S.

OW0812063093 Tokyo KYODO in English 0605 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Japan and the United States have agreed on the need for Japan to make an additional compromise if it wants to accept a deal that would extend a six-year moratorium on rice imports in exchange for a partial opening of the rice market, a government source said Wednesday [8 December].

The agreement came in Japan-U.S. negotiations before the government on Tuesday disclosed the deal, which was proposed by Germain Denis, chairman of the market-access negotiating group at the General Agreement on Tariffs and Trade (GATT). The proposal calls on Japan to allow imports "minimum access" of from 4 to 8 percent of domestic rice consumption in exchange for the six-year grace period.

Any additional compromise to be made by Japan must be acceptable to other GATT member nations, the source said. He said Japan would have to increase the minimum access volume to 10 or 20 percent of domestic rice consumption in making an additional compromise.

In GATT negotiations, a country is required to take compensatory action in return for any exemption it receives, the source said. Under the GATT proposal, whether the exceptional treatment for Japan will be continued after the grace period will be subject to negotiation one year before the period ends.

Farmers' Unions Urge Closed Rice Market

OW0712124793 Tokyo KYODO in English 1235 GMT 7 Dec 93

[Text] Tokyo, Dec. 7 KYODO—A powerful farm lobby pressed the government on Tuesday [7 December] not to lift its decades-old ban on rice imports in any form and to maintain its policy of self- sufficiency in the nation's staple food.

The Central Union of Agricultural Cooperatives (Zenchu) made the pitch after Prime Minister Morihiro Hosokawa virtually decided to open Japan's rice market, albeit partially, to bring global trade talks to a successful conclusion by the December 15 deadline.

The government is likely to announce Friday that it accepts a compromise proposal in the Uruguay Round of multilateral trade negotiations that would clear the way for the partial opening of the nation's heavily protected rice market.

The proposal by the General Agreement on Tariffs and Trade (GATT) requires that Japan import rice equivalent to 4 to 8 percent of domestic consumption every year but also allows a delay of six years in implementing the complete tariffication of import barriers called for in the Uruguay Round.

Zenchu said in a statement, "Acceptance of the minimum access formula is nothing other than approval of the proposal of tariffication without exception and the liberalization of rice imports."

The tariffication formula, proposed in December 1991 by then GATT Director General Arthur Dunkel, calls for all nontariff restrictions on agricultural imports, including Japan's ban on foreign rice, to be converted to specified customs duties without exception.

Zenchu has consistently opposed both the partial opening of the rice market and the tariffication scheme.

"The tariffication without exception formula, including the minimum access proposal, should definitely be rejected so as to maintain the policy of self-sufficiency in the nation's staple food and the key farm product of rice," the statement said.

Another farmers' group, All-Japan Federation of Peasants Union, also issued an appeal for the government's retraction of the anticipated decision to partially open the rice market.

Should the government move to accept the compromise proposal and partially lift the nation's rice ban, the dissolution of the House of Representatives for a general election is necessary to ask voters for their opinion on the issue, the group said.

Thai Rice Arrives in Niigata 7 Dec

OW0712053193 Tokyo KYODO in English 0512 GMT 7 Dec 93

[Text] Niigata, Dec. 7 KYODO—Rice purchased from Thailand by the Japanese Government under emergency measures to cope with a rice shortage arrived Tuesday [7 December] in Niigata, the heartland of Japan's rice production, officials said.

The 6,100 tons of rice designated for processing was unloaded at a port in Niigata on the sea of Japan coast for distribution to manufacturers in Niigata Prefecture and dealers in the Hokuriku and Kanto regions.

There were no anti-import demonstrators seen around the port.

Prime Minister Morihiro Hosokawa indicated earlier in the day that Japan may have to accept the latest proposal by the General Agreement on Tariffs and Trade on partial opening of Japan's rice market so that the Uruguay round of world trade talks can be successfully concluded this year.

Japan has banned rice imports on the grounds that it needs to maintain self-sufficiency in the staple crop.

The government was forced to buy foreign rice as an emergency step this year after the domestic harvest turned out to be the worst in the postwar period, resulting in a rice shortage.

Business Leader Welcomes Partial Rice Opening

OW0712092793 Tokyo KYODO in English 0727 GMT 7 Dec 93

[Text] Tokyo, Dec. 7 KYODO—An influential business leader welcomed a government move to partially open the rice market Tuesday [7 December] as a step toward a successful conclusion of the GATT- sponsored Uruguay Round of world trade negotiations.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), told reporters that Japan's position will contribute to the conclusion of the seven-year-long talks by the December 15 deadline.

He lauded the coalition government of Prime Minister Morihiro Hosokawa for doing a good job in the negotiations.

Hayami urged the government to review the Foodstuff Control Law to pave the way for liberalization of rice imports. The law should be invoked only in case of emergency, he added.

Farmers Stage Protest Over Rice Imports

OW0812050493 Tokyo KYODO in English 0427 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Some 200 farmers from across Japan staged a protest in Tokyo on Wednesday [8 December] against the government's expected decision to relax the ban on rice imports.

The farmers, backed by the Central Union of Agricultural Cooperatives, gathered in steady rain outside the union's Tokyo headquarters Wednesday morning before boarding loudspeaker trucks that cruised around the city.

They said the expected decision to relax the ban by allowing imports subject to tariffs would lead to the "destruction" of the agricultural sector in Japan.

Government leaders indicated on Tuesday that Japan will officially announce on Friday that it will accept a partial opening of its rice market in exchange for a six-year grace period on tariffication.

The General Agreement on Tariffs and Trade (GATT), the Geneva- based body sponsoring the Uruguay Round of global trade talks, made the proposal for a partial opening of the rice market in a revised draft.

But Teruka Ishikura, the union's managing director, told the farmers that the latest proposal amounts to tariffication. "Accepting this is tantamount to destroying Japanese agriculture in one blow," Ishikura said to a round of applause from the farmers.

"We will fight this to the end as a matter of national concern, and not just in the interests of the farmers."

The union plans to campaign in the streets of the capital until Saturday.

More on Request To Renegotiate Rice Proposal

OW0812134793 Tokyo KYODO in English 1239 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—House of Representatives members of the Social Democratic Party (SDP) decided Wednesday [8 December] to urge the government to renegotiate in the Uruguay Round of global trade talks before finalizing whether to allow rice imports, party officials said.

Lower house members of the SDP, the largest force in the ruling seven-party coalition, decided to ask the government not to decide on Friday to accept a GATT proposal for Japan to allow minimum imports of 4 to 8 percent of domestic rice consumption in exchange for a six-year grace period before tariffication, they said.

Attendants of the meeting said there still is time to renegotiate before accepting the proposal of the General Agreement on Tariffs and Trade, because the deadline of the Uruguay Round is on December 15, the officials said.

SDP Chairman Tomiichi Murayama also called Chief Cabinet Secretary Masayoshi Takemura by telephone on Wednesday to urge the government to postpone its decision, they said.

The cabinet, however, is expected to make the decision on Friday as scheduled, ignoring objections from the SDP, political sources said. The government says it is difficult to demand amendments to the GATT proposal, they said.

Fifteen of the 17 speakers at the meeting opposed the GATT proposal, with Noboru Endo saying Japan's agriculture and environment will be destroyed if Japan allows rice imports, the SDP officials said.

The SDP will make a formal decision on what action to take at a meeting of the Central Executive Committee on Thursday after holding a meeting of House of Councillors members, the officials said.

Some attendants of the SDP gathering said the party should secede from the coalition if it refuses to renegotiate, SDP officials said.

Move To Open Rice Market Jolts Prices

OW0812101293 Tokyo KYODO in English 0936 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—With Japan expected to decide to partially open its rice market on Friday, the unofficial price of a key rice grain for daily use remained high Wednesday [8 December], but that of rice for processed foods plunged.

An official at Beikoku Data Bank, a rice price research agency, said the plunge in rice prices for processing use reflects expectations that such domestically produced rice will give way to imports.

The price of non-glutinous rice or a key rice grain for daily use was quoted at around 33,000 yen per 60 kilograms in trading outside government channels, unchanged from last week but still 10,000 yen higher than in June.

But the price of rice for processed foods was quoted at around 200 yen per kilogram, 30 to 40 percent lower than in mid-October when it peaked amid fears of a rice shortage in the wake of the worst rice harvest in the postwar period.

The Beikoku Data Bank official said the price tumble came against the backdrop of suggestions by government officials Tuesday that Japan is ready to agree to a compromise plan that would force it to open 4 to 8 percent of domestic consumption to imports.

The official said rice wholesalers and retailers believe such imports will be mostly for processed foods. "It would take some time to see the impact of imports on rice for daily use," the official said.

If imports are found good for processing, the official said, the domestic price for such use could fall as low as 100 yen per kilogram by next spring.

Takemura Discusses Additional Rice Compromise

OW0812051693 Tokyo KYODO in English 0459 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Chief Cabinet Secretary Masayoshi Takemura hinted Wednesday [8 December] Japan may have to make an additional compromise if it wants to accept a deal that would extend a six-year moratorium on rice imports in exchange for a partial lifting of the rice ban. "We can foresee discussion on some new additional measures to be taken if (the grace period) is extended after the (original) six years," Takemura told the House of Representatives Budget Committee.

Prime Minister Morihiro Hosokawa said it is difficult to revise a proposal calling for partial opening of Japan's rice markets as presented in the Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade (GATT). "Negotiations are impossible if (Japan) says it will not import rice at all," Hosokawa told the Budget Committee.

Hosokawa's remarks reaffirmed the government policy of agreeing to accept the proposal without further adjustment.

The GATT proposal calls on Japan to allow imports "minimum access" of 4 to 8 percent of domestic rice consumption in exchange for the six-year grace period before tariffication.

Although Takemura hinted at a further compromise, he denied knowing of items in the proposal obligating Japan to make additional compromises. "In a day or so, the proposal will be publicized in its entirety," Takemura told a press conference.

Asked what Japan can do after the six-year grace period, he said, "We can again negotiate on continuing the grace period or accepting the tariffication at that time."

Foreign Minister Tsutomu Hata, who is also vice premier, supported accepting the proposal, saying "(the idea of) the lowest amount of imports (determined in minimum access) is realistic as Japan cannot offer a counterproposal."

On relations between the GATT proposal and Diet resolutions calling for the nation's self-sufficiency in rice, Hosokawa said, "They do not always agree with each other."

The opposition parties—the Liberal Democratic Party and the Japanese Communist Party—criticized Hosokawa of breaching Diet resolutions that call on the government not to accept the GATT proposal.

The Social Democratic Party (SDP), the largest among the seven-party coalition government, and the Democratic Socialist Party (DSP), held intra-party discussions to decide whether they will agree on the GATT proposal.

Koken Nosaka, chairman of the SDP's Diet Administration Committee, urged the Hosokawa cabinet to put off a decision on the GATT proposal, which is widely expected on Friday. "Do not make a rash (decision)...Japan should not give up on renegotiating," Nosaka said.

At a meeting with its legislators in the two Diet chambers, the DSP decided to hold an extraordinary meeting of its executive committee Thursday to debate the issue.

Meanwhile, the Budget Committee ended debate on a supplementary budget for fiscal 1993 ending next March, which is expected to be passed through the lower house plenary session later in the day, Diet sources said.

Vegetable Imports 'Soared' in First 9 Months

OW0812114493 Tokyo KYODO in English 0938 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Japan's imports of fresh and frozen vegetables soared in the first nine months of this year, reflecting poor domestic harvests caused by bad weather, a semigovernmental trade organization reported Wednesday [8 December].

The Japan External Trade Organization (JETRO) said imports for the January-September period soared 37.8 percent over the like period last year to 287,000 tons.

The imports were valued at 450 million dollars, up 45.9 percent over the year before, the organization said.

It said notable increases were recorded in imports from China and Southeast Asian countries.

Imports of onions doubled while those of cabbages surged 53.4 percent, JETRO said.

Beef imports also climbed 18.8 percent to 1.81 billion dollars, apparently because of a tariff cut. In volume, imports marked a 23.9 percent rise over the like period last year, it said.

Total foodstuff imports grew 3.4 percent to 29.37 billion dollars, the organization said. Fish and marine products grew 9.1 percent to 10.27 billion dollars, accounting for nearly one-third of the total, it said.

The United States was the top exporter, accounting for 30.7 percent of the total, followed by Taiwan and China with 8.0 percent each, the organization said.

Russia Transfers POW List With More Data

OW0812022893 Tokyo KYODO in English 0045 GMT 8 Dec 93

[Text] Moscow, Dec. 8 KYODO—The Russian Government has handed over to Japan a list naming some 37,548 Japanese prisoners of war (POWs) who died in Siberia after World War II, sources well-versed in Russian-Japanese relations said Tuesday [7 December]. The list, which was kept at Russia's central archives in Moscow, is the first to be delivered following an agreement during Russian President Boris Yeltsin's visit to Japan in October.

The list gives far less names than the 60,000 initially promised, but is said to contain comprehensive information, which might be of use to clarify the identity of a high number of POWs, according to the sources.

During a visit to Japan in April 1991 then Soviet President Mikhail Gorbachev delivered a list naming about 38,000 Japanese POWs, but more than half of them could not be identified beyond doubt due to incomplete data, the sources said.

The new list is reportedly based on the POWs personal documents and records family background, the place where the POWs family records are registered and the individual's signature.

Although the list is believed to disclose a high number of POW cases not named in the Gorbachev-list, the Japanese Government, which is speedily comparing both lists, hopes to solve some of those cases too.

Tokyo has said that as many as 575,000 Japanese were interned in Siberian camps, but Moscow said there is little hope to identify all of them almost half a century after the end of World War II.

Firms, PRC Sign Contract To Explore for Oil

OW0812131593 Tokyo KYODO in English 1213 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Teikoku Oil Co. and Japan Petroleum Exploration Corp. (Japex) have signed a contract with China Offshore Oil Corp. to explore for oil off the southern Chinese coast, the two Japanese firms said Wednesday [8 December].

The contract, signed in Beijing on Wednesday evening, permits the two companies to prospect for oil in two offshore blocks covering about 6,500 square kilometers off the southern coastal city of Wenzhou in Zhejiang Province, they said.

Teikoku Oil and Japex said they will form a joint venture to proceed with the project with financial support from the governmental Japan National Oil Corp.

Four other Japanese companies—Indonesia Petroleum Ltd., Cosmo Oil Co., Japan Energy Corp. and Nissho Iwai Corp.—are scheduled to invest in the joint venture, they said.

Exploration is expected to start next spring, they said.

Teikoku and Japex are considering cooperation with Exxon Corp. of the United States in the project as Exxon has a license to explore for oil in a nearby block, they added.

Foreign Ministry Announces Loan, Aid to India

OW0712110293 Tokyo KYODO in English 1031 GMT 7 Dec 93

[Text] Tokyo, Dec. 7 KYODO—Japan will lend up to 119.64 billion yen to India to help its economic development and also grant the nation some 251.8 million yen in assistance as a debt-relief measure, the Foreign Ministry said Tuesday [7 December].

Japanese and Indian government officials exchanged documents on the assistance in New Delhi, the ministry said.

The loan for fiscal 1993 ending March 31 includes some 89.4 billion yen for projects to improve the country's electricity and transport infrastructure, which is expected to contribute to India's mid- to long-term economic development, and 30 billion yen to help small businesses get off the ground, the ministry said.

The 30-year-loan, with a 10-year grace period, carries a 2.6 percent annual interest rate.

The grant-in-aid represents principal and interest on Japan's Official Development Assistance (ODA) loans to India which were due to be repaid in the first half of fiscal 1993, it said.

The aid will be used to purchase goods necessary for developing the economy and improving public welfare, it said.

Poll Shows Hosokawa Cabinet Still Popular

OW0812040693 Tokyo NHK General Television Network in Japanese 1000 GMT 7 Dec 93

[Announcer-read report; received from "NHK News" program]

[Text] An NHK opinion poll indicates that the cabinet of Prime Minister Morihiro Hosokawa remains popular four months after it was inaugurated. An approval rate of 69 percent for it is about the same as it was in September.

The NHK interviewed 1,800 men and women aged 20 or over on 4 and 5 December, and obtained replies from about 1,183 of them. According to the replies, 69 percent of the respondents said they support Mr. Hosokawa's cabinet, 16 percent said they do not support the cabinet, and 15 percent either said they do not know or gave no replies. In a similar poll in September—one month after the cabinet was inaugurated—70 percent supported the cabinet. That was the highest approval rate ever for a cabinet in an NHK opinion poll.

In reply to a question as to why they support the Hosokawa cabinet, 39 percent said they like its political stance. This is followed by those who said they trust Mr. Hosokawa's personality and those who said they have high hopes for his policies.

Asked what areas they want the Hosokawa cabinet to work hardest on, 42 percent said business stimulating measures and stabilizing consumer prices, and 22 percent said political reform. In the previous poll, the majority said they wanted political reform, and they were followed by the people who said they wanted business stimulating measures.

Asked what political party they support, 22.1 percent said they support the Liberal Demcoratic Party [LDP], 7.7 percent said the Social Democratic Party of Japan [SDPJ], 7.5 percent Shinseito [Japan Renewal Party], 4 percent Komeito, 16.1 percent the Japan New Party, 1.9 percent the Japan Communist Party, 1.9 percent the Democratic Socialist Party, 2.9 percent Shinto Sakigake [New Party Harbinger], and 0.5 percent the United Social Democratic Party.

Of the respondents, 32.6 percent said they do not support any particular political parties.

Comparing this with the previous poll, support for the LDP has dropped by a substantial margin. Support for the SDPJ and Shinseito also fell. The approval rates for the LDP and SDPJ are the lowest in any NHK poll. Support for the Japan New Party increased 4 percentage points. It achieved an approval rate second only to the LDP.

Asked whether they are satisfied or dissatisfied with the present state of politics, only 23 percent said they are satisfied. Comparing this with the previous poll in September, the proportion satisfied fell 11 percentage points, and the figure for those dissatisfied increased 13 percentage points.

In reply to a question on what they think of the coalition government, 71 percent said there may be problems with it but there is no alternative. Ten percent said the coalition is living up to expectations, and should stay in power. Twelve percent said they are opposed to the coalition government.

Asked what they think of the SDPJ's participation in the coalition, 62 percent said the party has lost many of its reasons for existence—with its standpoint as the party symbolizing peace gone.

Only 19 percent said they think the government's credibility with the public has increased with the SDPJ participating in the coalition.

Asked what role they expect the LDP to play, 39 percent said it should monitor the coalition from its position as an opposition party and prepare to assume power again sometime. Twenty-six percent said they do not expect anything from the LDP. A smaller percentage said they hope the LDP will form a new coalition government with some of the coalition parties or they want the LDP to assume power as soon as possible.

Coalition Plans To 'Prolong' Diet Term

OW0812140893 Tokyo KYODO in English 1351 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—The ruling coalition plans to prolong the term of the current Diet session until late January to enact four political reform bills on which Prime Minister Morihiro Hosokawa has staked his job, Diet sources said Wednesday [8 December].

Representatives from the seven coalition parties also confirmed they would do everything possible to pass the package through the Diet during the current extraordinary Diet session, party officials said. The current Diet session expires on December 15.

Enacting the government package by the deadline of December 15 is regarded as a virtual impossibility because the House of Councillors will have to concentrate on a more pressing issue—the enactment of a 708.7 billion yen supplementary budget for reviving the anemic economy, the sources said.

The coalition leaders agreed that carrying over the political reform bills to the upcoming regular Diet session—slated to convene early next year—would be tantamount to scrapping the legislation, the sources said.

One of the bill calls for replacing the current 511-member House of Representatives with a mixture of single-seat constituencies and seats elected by proportional representation.

Opposition Liberal Democratic Party (LDP) officials, meanwhile, said the party would step up its parliamentary assaults on Hosokawa by harping on the rice issue and a controversial fund of 100 million yen to Hosokawa from the scandal-ridden Sagawa Kyubin group of trucking firms. "We will step up our efforts to uncover the truth on these problems," an LDP executive said.

Hosokawa defended his 1982 acceptance of the money from Kiyoshi Sagawa, then chairman of the trucking group, as a "loan." He said he repaid the money by using part of his retirement allowance as governor of Kumamoto Prefecture and proceeds from a land sale.

The LDP has accused the Hosokawa administration of jeopardizing Japan's self-sufficiency in rice by accepting a proposal to give minimum access of 4 to 8 percent of domestic rice consumption to foreign rice imports.

On Thursday, the House of Councillors special committee on political reform will start debating the government-proposed political and electoral reform package and the Japanese Communist Party's alternative bills.

Shinseito Political Secretary Indicted on Fraud

OW0812110493 Tokyo KYODO in English 1044 GMT 8 Dec 93

[Text] Nagoya, dec. 8 KYODO—Prosecutors indicted the political secretary of Shinseito [Japan Renewal

Party] legislator Tadao Otani on Wednesday [8 December] on charges of helping Otani's supporters obtain a huge tax refund by falsifying tax returns.

The indictment said the 51-year-old secretary, Susumu Ochiai, fabricated receipts of political donations, in which the amount of the actual annual donation by each of 62 supporters was inflated 10 to 15 times.

These supporters obtained a total refund of 52.5 million yen from the National Tax Administration Agency by submitting to the agency the bogus receipts as evidence attesting to their payments of political donations, the indictment said. Such receipts have to be attached to a tax return.

For three years, beginning in 1990, the supporters donated 100,000 yen to the "Tokai Seiji Kenkyukai," one of the legislator's political support organizations, it said.

Otani, a former Aichi Prefectural Assembly Legislator, was elected to the House of Representatives in a July general election for the first time after obtaining endorsement from Shinseito.

The Nagoya District Public Prosecutors Office questioned the legislator Tuesday on suspicion of conspiracy in the alleged falsification of the receipts.

Ochiai was also charged with breaching the political funds control law that bans politicians from fabricating their mandatory political funds reports to municipal governments or the Home Affairs Ministry.

The indictment said Ochiai submitted the falsified political funds reports to the Nagoya Prefectural Government, falsely testifying that these supporters donated 1 to 1.5 million yen to Otani each year.

Indictment of Contracting Officials Detailed

OW0812111693 Tokyo KYODO in English 1047 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—The Liberal Democratic Party faction led by Hiroshi Mitsuzuka, a former LDP policy maker, received donations of 6 million yen annually from major contractor Tobishima Corp., well-placed sources said Wednesday [8 December].

The firm made biannual donations till the end of last year after Mitsuzuka became the intraparty faction chief in 1989, the sources said.

On receiving the cash, Mitsuzuka, 66, allegedly handed it to faction accountants, telling them to handle it properly.

Faction officials said the group divided the donations into six and allocated them to six affiliated political groups.

The political funds control law provides that when a political group receives a tax-free political donation of more than 1 million yen, it must report the amount and the donor's name to the government.

Tobishima's public relations officials declined to comment.

The Mitsuzuka faction was reportedly given about 100 million yen a year from Shimizu Corp., Japan's largest construction company.

On Monday, prosecutors indicted Sukemasa Uera, advisor to Tobishima, for giving a 10 million yen bribe to then Ibaraki Gov. Fujio Takeuchi in 1991 in connection with prefectural public works projects. Prosecutors also charged Uera's son and the firm's vice president, Soichiro Uera, as an accomplice.

Kumagai on Economic Policy, Tax Cut, Rice

OW0712204693

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0107 GMT on 5 December, as part of its 105-minute "Sunday Project" talk show, which begins at 0100 GMT, carries a 29-minute live interview with Hiroshi Kumagai, minister of international trade and industry, by economic commentator Soichiro Tahara at the Asahi Television studio in Tokyo.

Tahara first gives a brief summary of recent trends in the business confidence index and stock prices, and points out that one key point in the present economic situation is whether the government is taking additional economic stimulation measures. Kumagai admits that the recession is indeed serious because the cyclical recession is overlapping a strong yen and a historical period of structural change. Kumagi, however, asserts that there are also signs of recovery in certain areas, for instance, the consumption of nondurable goods, and he also points out that now is the time to have a balanced view of the economy as a whole, and to work for a recovery slowly and surely. He expresses confidence that a recovery can be achieved and cites the U.S. experience as an example from which Japan can learn.

Kumagai denies any vacillation between the ruling coalition parties regarding the need for additional pump-priming measures. However, he likens the Japanese economy to a seriously ill patient who requires surgery but who cannot be operated on immediately because of physical debility. He sees the need to first make the patient stronger for him to be able to survive the surgery.

At 0116 GMT, in answering Tahara's question on whether the government intends to take further pump-priming measures, Kumagai replies: "Taking into consideration the amount of time until the draft fiscal year 1994 budget is drawn up, it has already been decided that we will definitely include very basic measures to stimulate the economy. The question is what will be the substance of such measures, and how to go about doing this."

Asked whether the government is now ready to shift its land policy from one aimed at dealing with the aftereffects of the bubble economy to one of deregulation, Kumagai agrees and points out that during his recent meeting with Finance Minister Horohisa Fujii, it was agreed that this is not only indispensable to activate land transactions but is also necessary for revitalizing the banking system and for industrial restructuring. He says that he and Fujii intend to persuade other policymakers in the ruling parties to include a relaxation of regulations on land deals in future economic measures.

As for the issue of an income tax cut, Kumagai expresses doubt that a tax cut in only one year will be effective in boosting the economy. He also expresses worry about the fiscal deficits that such a tax cut will create, but he says that he personally favors a tax cut as part of a comprehensive economic package that will constitute major surgery on the economy to cure its illnesses.

When asked about other areas that the government needs to work on, Kumagai mentions promoting restructuring in industries hit hard by the yen's appreciation, opening up new industrial frontiers, housing, the social infrastructure relating to the people's daily life, and high technology to enhance international competitiveness.

In answering Tahara's question on which will the government give priority to, political reform or economic pump-priming, Kumagai says that without political reform, the whole political system will cease to function properly, and therefore political reform has to be dealt with first.

At 0132 GMT, when asked for his opinion on a partial opening of Japan's rice market, Kumagai replies: "I am the minister in charge of trade. Together with the minister of agriculture, forestry, and fisheries, I am on the front line of negotiations. This is a time when all the players are sitting tight and looking nervously at the cards they have. I have said this many times to the Budget Committee—commenting on this issue itself will undermine the negotiations. Therefore, we will hold on to our basic principles until the very last minute."

The interview ends at 0136 GMT.

Impact of Sony Chairman Morita Collapse Viewed

OW0712131293 Tokyo KYODO in English 1238 GMT 7 Dec 93

["News analysis" by Waka Hamada: "Torch of Reform Still Alive Even Without Morita"]

[Text] Tokyo, Dec. 7 KYODO—For Japanese business circles, the collapse of Sony Corp. Chairman Akio Morita seemingly could not have come at a worse time.

With the nation's economy deeply mired in recession and a series of government actions having done little to shore it up, there is an uneasy sense in such circles that the current slump may be an entirely new sort of economic ailment and accordingly require new cures. And some believe the only effective fixes may be a dramatic alteration in the ways businesses think and behave as corporations.

Tireless champion of a structural overhaul of the Japanese economy over the past few years, Morita has been widely viewed as a man of a real vision who could lead the business community in seeking new remedies. Small wonder that Gaishi Hiraiwa, head of the country's most powerful Federation of Economic Organizations (Keidanren), expressed much shock when he heard last week that Morita had been rushed to hospital after suffering a brain hemorrhage.

The 72-year-old charismatic co-founder of Sony, vice president of Keidanren and most likely candidate to succeed Hiraiwa, is said unlikely to return to business activities.

A senior Keidanren official sighed, "Mr. Morita's retirement would be a severe blow to Keidanren, especially as we have just started putting more emphasis on bettering our external relationships." As the best-known voice of Japanese business, Morita boasts far-reaching friendships with such international celebrities as Ross Perot and Walter Mondale.

Although the sense of loss is widespread, many people say that the revolutionary spirit Morita has planted in the Japanese corporate mind will not be easily quashed even if he retires because self-reform has become a make-or-break question for the business community. A well-informed source in that community said, "it is true that Morita had been expected to be a business leader of the new age."

"But the times demand reform and the tide cannot be reversed, with or without Mr. Morita," he said.

Mineko Sasaki-Smith, senior economist with Morgan Stanley Japan Ltd., said, "This recession is caused by oversupply rather than sluggish demand. The businesses themselves are largely responsible for this situation as they erred in their economic outlooks and invested to excess."

"So, they have the obligation to rehabilitate the economy by creating new industry," she added. She said the drive for reforms currently under way will not be set back by Morita's departure as "business officials are the people who are closest to the recession and know better than anybody that some paradigm shift is essential."

"Japan is not a society which collapses when one leader goes," she said.

Born the eldest son of a wealthy brewer of sake in Aichi Prefecture, Morita co-founded the radio-repair company Tokyo Telecommunications Engineering Corp. in 1946 with fellow engineer Masaru Ibuka. The company changed its name to Sony in 1958 and, as the saying goes, the rest is history.

Serving as Sony president from 1971 to 1989, Morita was often as controversial as he was innovative. He did not mince words and in 1989 raised eyebrows by jointly publishing with nationalist legislator Shintaro Ishihara "The Japan That Can Say 'No'," in which he criticized the shortsightedness of U.S. management style.

The book drew flak from many U.S. politicians but Morita was nonetheless elected one of the world's 25 most attractive business leaders that year by FORTUNE magazine.

In 1992, Morita suddenly stopped rebuffing Japan-bashing from abroad when he issued a new paper criticizing Japanese-style management practices.

Admitting that Japanese corporations have not competed with foreigners according to the same rules, he urged his colleagues to show greater respect for the interests of both their employees and shareholders by shortening work hours, boosting wages and dividends, and dropping their obsession with market share. His new management philosophy alarmed many corporate managers at the time but has found a growing number of supporters in recent months as struggling businesses have become more introspective.

Calling Morita "a global spokesman for Japanese business," economist and critic Kaoru Kobayashi said it is "very sad for him to take a backseat at this critical time." But the loss of Morita is "mostly symbolic" and will cause little real trouble for the future of Japanese industry, he said.

EPA: Economy Sluggish, Labor Demand Worsening

OW0712000193 Tokyo KYODO in English 2335 GMT 6 Dec 93

[Text] Tokyo, Dec. 7 KYODO—The labor situation in Japan continues to worsen, particularly in the manufacturing sector, according to a monthly government report released on Tuesday [7 December].

The report, compiled by the Economic Planning Agency (EPA) and approved at a cabinet meeting the same day, said the nation's economy remains "sluggish in general"—unchanged from the previous month.

But it added that "the employment situation is severe, with the ratio of job vacancies to job seekers declining and unemployment rising, centering on the manufacturing industry."

The report showed the ratio of job openings to seekers, which stood at an average 1.34 in fiscal 1991 and 1.00 in fiscal 1992, had steadily dropped to 0.67 by October this year.

An EPA official said a decline in production gradually showed up the impact on labor demand, particularly in manufacturing.

The report said the nation's industrial output this year has registered a fall in almost every month compared with the previous year's levels.

In the October-December quarter, industrial production is expected to drop 4.2 percent from a year earlier, the official added, hinting there would be no immediate improvement in labor demand.

The report said personal consumption is still depressed and corporate capital spending is declining, again particularly in the manufacturing sector.

Inventories in industrial sectors have ceased to decline, while output is sluggish. Corporate sentiment has deteriorated, with the yen still relatively high against the U.S. dollar on the foreign exchange market.

Exports were weak, and imports dropped slightly in October although the overall note is still strong, the report said.

On a more optimistic note, the report said that housing starts stay at high levels and sales of household electrical appliances such as refrigerators and washing machines are showing improvement.

Transport Ministry Announces Airfare Reductions

OW0812082493 Tokyo KYODO in English 0632 GMT 8 Dec 93

[Text] Tokyo, Dec. 8 KYODO—Airlines will be allowed to reduce their airfares on international routes by up to 35 percent from the current standard discount fares starting next April, sources at the Transport Ministry said Wednesday [8 December].

They said the ministry will announce the new discount rates for routes in the European and Pacific regions at the end of the week and those for routes in the Asian region next week.

Airfares for Europe could see reductions of up to 35 percent during off-season and 30 percent in other seasons.

Honolulu-bound flights could see cuts of up to 25 percent during high-season and 35 percent in the off-season.

Fares to the United States would be cut by up to 30 percent during high-season and 35 percent during off-season.

Discounts on flights bound for the Asian region have yet to be decided, the sources said.

The ministry decided to allow wider discount rates, in addition to the standard discount rates set at the International Air Transport Association (IATA), because the IATA standard discount rates are to be widened next April.

The ministry aims to stop what it sees as overheated competition that has produced intolerably low prices, causing problems with rebates between airlines and travel agents, they said.

Hitachi Tests 'Molecular Computer Memory Chip'

OW0712160393 Tokyo KYODO in English 1446 GMT 7 Dec 93

[Text] Tokyo, Dec. 7 KYODO—Hitachi Ltd. said Tuesday [7 December] it has successfully operated at room temperature a new molecular computer memory chip that functions on movements of single electrons.

The company claimed the feat as a world's first.

The major Japanese electronics firm said the success paved the way for the development of an ultraperformance integrated circuit with low electricity consumption that could store all the information in 30 years' worth of newspapers on one chip.

The chip used in the experiment consisted of silicon strips only 0.1 micron wide, plus slim, thin films 0.1 micron wide and 4 nanometers thick, the company said.

A micron is one thousandth of a millimeter and a nanometer is one billionth of a meter.

The thin films were made up of silicon crystals with diameters of 10 nanometers, with the points of intersection of the strips and films serving as circuit elements.

When a 50-volt electric current was applied to the elements, single electrons were caught by the crystals, hindering the electric current.

The existence or absence of current can serve as binary signals.

In current computer memory chips, groups of more than 10,000 electrons are required to convey binary signals.

The chip needs relatively small amounts of electricity for storing data because only single electrons are involved, and this in turn makes it possible to increase the density of the circuits.

North Korea

DPRK Red Cross Criticizes South on POW Issue

SK0712133793 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 7 Dec 93

[Text] Yi Song-ho, acting chairman of the DPRK Red Cross Central Committee, today sent a telephone message to Kang Yong-hun, president of the South Korean Red Cross Society, in connection with the irresponsible and insincere attitude assumed by the South side, going against the humanitarian idea of the Red Cross.

The content of the telephone message is as follows:

I have received your telephone message sent on 3 December.

I regret very much the irresponsible and insincere position you have shown in the recent telephone message by going against the humanitarian ideal of the Red Cross.

Your Red Cross stated that the issue of returning to the party concerned the letters and remains of the POW's of the People's Army found in Koje Island is not an issue in which the Red Cross should interfere in view of its nature. In addition, your Red Cross assumed an attitude of totally refusing the demand for repatriating Kim In-so and Ham Se-hwan, non-converted long-term prisoners. We characterize this as an extremely unjust act of evading responsibility in view of compatriotic love, not to mention of humanitarianism of the Red Cross.

From the outset, the humanitarian ideal of the Red Cross assumed as its basic mission to rescue unfortunate people such as POW's, regardless of whether they are in friendly or hostile side, and to handle their problems.

Nevertheless, your Red Cross said that its position is to not interfere in the issue of returning letters and the remains left by POW's of the People's Army to our side. Your remarks mean that your organization has given up the humanitarian ideal and mission of the Red Cross.

As for old men Kim In-so and Ham Se-hwan, they are POW's. Your side made remarks as if they were not POW's by raising the issue of their guerrilla activities and their obtaining the so-called nationality. This only shows your side's ignorance of the Charter and regulations of the International Red Cross.

It is extremely basic common sense that the ones who are caught while fighting against a belligerent country are recognized as POW's, whether they are soldiers or guerrillas. In addition, regarding the fact that they have acquired the nationality of South Korea, it was an unavoidable circumstance for them under the condition in which the one side unilaterally detained them. That being the case, this is nothing but a stubborn and unreasonable claim that they are not included in the range of POW's.

Your Red Cross should know very well that they have not converted to nor showed intention of living in South Korea. They have even asked the International Red Cross Society for their cooperation in returning them to the North.

Red Cross humanitarianism is not a narrow concept subject to any one country's law. It is one going beyond it, encompassing the whole of mankind. It is an extremely unreasonable act to deny that they are POW's on the basis of your side's law. It goes without saying that their repatriation is not a matter to be determined by your side's law, either.

Your Red Cross, which must have known this, has avoided handing over the letter and belongings of People's Army POW's and totally refused to repatriate Kim

In-so and Ham Se-hwan, POW's. Witnessing such inhumane acts, we come to harbor suspicions that your side is acting according to some insidious group's order that does not want national reconciliation, unity, and reunification.

The Central Committee of our Red Cross Society strongly urges your Red Cross to return to the Red Cross stand of humanitarianism before it is too late, instead of meekly obeying orders from the antinational, antireunificational group. It also urges that your Red Cross unconditionally responds to our just demand that the letter and belongings of the People's Army POW's, who were detained in the POW camp in Koje Island, be handed over to our side immediately and Kim In-so and Ham Se-hwan, prisoners of war, be repatriated.

South's Demonstrations on Rice Issue Noted

SK0812053893 Pyongyang KCNA in English 0505 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—More than 30,000 peasants, citizens and students held a rally at the plaza of Seoul railway station and staged a fierce demonstration in the daytime of December 7 against the anti-national scheme of the Kim Yong-sam treacherous clique for the liberalization of rice import, according to radio reports from Seoul.

In a resolution adopted at the rally, the participants said the South Korean agriculture had no way out, hard pressed by the anti-popular "regime's" rice market opening. They urged the traitor Kim Yong-sam to ask the will of the people regarding the rice market opening through a plebiscite.

They burnt U.S. agricultural products in effigy in protest against the U.S. imperialists' criminal demand for rice market opening.

Then they in-mourning dress made of rice bags started a demonstration, carrying a coffin of the "civilian government's" anti-national "new agricultural policy."

Many people cheered the demonstrators with warm applause on the street, joining them in loudly shouting anti-U.S., anti-"government" slogans, said a report.

Reaching the Tapgol Park, the demontrators staged a sit-down on the road in front of the park, some of them making a march toward "Chongwadae."

The rally and demonstration involved more than 200 political parties and organizations affiliated with the All-People Committee for Emergency Measures To Check Rice Market Opening.

Remarks by Japan's Defense Agency Head Denounced

SK0812050893 Pyongyang KCNA in English 0459 GMT 8 Dec 93

["Scandalous First 'Instructions'"—KCNA headline]

[Text] Pyongyang, December 8 (KCNA)—Kazuo Aichi who recently took office as director general of the Japan Defence Agency made his first appearance at the Defence Agency on December 6 and spun out a string of balderdash taking issue with the DPRK over its "nuclear problem" in his "instructions" to officials concerned.

He raised a hue and cry over the "suspicion of nuclear development" and fictitious "threat of missile development" of the DPRK, blaring that Japan's military forces would be "examined energetically" to "cope with" it in the future, the Japanese NHK reported.

It is an intolerable, undisguised challenge that Aichi let out venomed words blatantly getting on our nerves as soon as he became director general of the Defence Agency.

The routine missile launching exercise by the DPRK at the end of May was its self-defence step which did not pose a "threat" to any one. Moreover, it is a fact known to the world that the "nuclear suspicion" against the DPRK is a fiction invented by some dishonest forces with the aim of stifling the DPRK.

Aichi's outcry over the DPRK's "development of missiles" and "nuclear suspicion" is nothing but a crafty ruse to quicken the pace in turning Japan into a nuclear military power on that pretext and thereby gratify their ambition for overseas aggrandizement.

Japan's sinister scheme to hasten its own nuclear armament and drive the "self-defence forces" to aggression overseas is a dangerous development of the situation which poses a big menace to the Korean and other Asian peoples.

It is ridiculous, indeed, of the Japanese authorities to try to stifle the DPRK in collusion with seditious forces.

The Japanese authorities must act with discretion, clearly mindful of grave consequences of their hostile policy aimed at stifling the DPRK.

Radio on Defense Head's Remarks

SK0812095693 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 8 Dec 93

[Text] According to an NHK broadcast report, Aichi, who recently took office as director general of Japan's Defense Agency, made his first appearance at the Defense Agency on 6 December and made impure remarks criticizing our nuclear issue during his instructions to officials concerned. Talking about the nonexistent suspicion of our nuclear development and the threat of missile development, he stressed that he would energetically review Japan's military forces in the future to cope with this.

As soon as Aichi was appointed director of the Defense Agency, he let out evil words which blatantly got on our nerves. This is an intolerable and open challenge. We cannot but sternly reject [paegyok] his remarks. Because Aichi's remarks and activity came at a time when the DPRK and the United States were holding a contact recently to resolve nuclear issues in the face of the third round of the DPRK-U.S. talks and when a conciliatory gesture [hwahaejok umjigim] is shown among the high-ranking U.S. officials, we cannot but regard his remarks as grave. His remarks clearly showed the Japanese reactionaries' criminal scheme to throw a wet blanket over the progress of the DPRK-U.S. talks and to separate and stifle our Republic by means of sanctions and pressure through the international cooperative system.

Our routine missile launching exercise at the end of May was a self-defensive measure. Thus, this did not pose a threat to anyone. In particular, it is well-known to the world that the rumor about our nuclear suspicion is a fiction fabricated by impure elements to stifle our Republic.

Aichi's outcry over our missile development and nuclear suspicion is nothing but a crafty strategy to accelerate the maneuver of the nuclear military power under the pretext of the DPRK's missile development and nuclear suspicion and at realizing the ambition for overseas aggrandizement. This is actually proven by the fact that Aichi raved that he would make every effort to have the bill on the amendment to the law on the Self-Defense Forces pass in the Diet. This is clearly aimed at realizing the criminal purpose for overseas aggression by revising Japan's Self-Defense Forces law, which only stipulates its own defense.

Japan's sinister scheme to accelerate its own nuclear armament and drive the Self-Defense Forces to an overseas aggression is a very dangerous development, posing a great threat to the Korean and Asian people.

Indeed, it is ridiculous that the Japanese authorities try to stifle our Republic in collaboration with impure elements.

Aichi should learn a lesson from the fact that his predecessor Nakayama was dismissed because he made indiscreet remarks.

The Japanese authorities must act with discretion, clearly keeping in mind a grave consequence to be entailed by their hostile policy aimed at stifling the Republic.

Japan's Moves on Military Operations 'Dangerous'

SK0812105893 Pyongyang KCNA in English 1004 GMT 8 Dec 93

["Dangerous Aggressive Forces Seeking World Supremacy"—KCNA headline]

[Text] Pyongyang, December 8 (KCNA)—The Japanese ruling quarters openly claimed some time ago that "it conforms with the constitution" for the "Self-Defence Forces [SDF]" to stage military operations outside the Japanese territory.

Commenting on this, NODONG SINMUN today says this is a very dangerous move without precedent.

The author of the article notes:

Their talk about "the command of the United Nations" is a pretext for justifying their overseas military operations for aggression. The Japanese militarists are craftily scheming to abuse the name of the United Nations and use their Armed Forces abroad in attaining their aggressive purpose.

They intend to empower commanding officers of the "SDF" dispatched overseas to use weapons and command operations in a bid to start an invasion any time.

It must be noted that the Japanese Defence Agency is drawing up a "defence policy" for "allround security," crying for a quick reaction to "spreading regional disputes" and "diversified international situation." The "allout security" means the execution of military operations by Japan under different situations and in various places.

Japan's undisguised design of overseas aggression is fully illustrated by the fact that Japan is scheming to launch a special operation overseas by forming a special unit like the "green berets" under the pretext of "saving Japanese overseas in case of emergency."

What cannot be overlooked is that Korea is the first target of Japan's overseas aggression.

Suffice it to recall that the Japanese ruling circles are calling for "appropriate steps" and "dispatch of armed forces", charging the DPRK with the "nuclear problem" and "missile problem."

Japan which has become a dangerous aggressive force is now coveting not only Asia but countries in other regions.

Overseas aggression will lead Japan to destruction.

Daily Wants Japan Punished for War Crimes

SK0812053593 Pyongyang KCNA in English 0513 GMT 8 Dec 93

["Criminals Must Be Punished"—KCNA headline]

[Text] Pyongyang, December 8 (KCNA)—NODONG SINMUN today, exposing the crimes committed by the Japanese imperialists in provoking the pacific war on December 8, 1941, and invading Asian countries, stresses that the Japanese Government must prosecute the war criminals under the criminal law and punish them, if it truly want to become a member of the international community and not to be a target of stronger protest and condemnation.

The news analyst says:

The war criminals of Japan committed most heinous crimes ever in history against human ethics and morality and have not yet been punished, though half a century has passed since the end of the war. The successive Japanese and U.S. Governments are to blame for this.

Today the "crimes against humanity" committed by the war criminals have become an international problem and voices demanding their liquidation are growing louder. But the successive Japanese Governments have tried by hook or by crook to lull them, without blushing.

The United States should have done away with the war criminals of Japan with the end of World War II. But, it protected them and still refuses to abandon this position. This is tantamount to offering a shelter to the war criminals.

The United States must feel responsible for the failure to properly deal with the postwar settlement of Japan and have the war criminals punished, not supporting Japan's intention to become a permanent member of the U.N. Security Council. Thus it must correct the mistake in history.

Since Japan fails to resolve the postwar settlement issue of its own accord, the United Nations should adopt appropriate measures.

Korea-Japan Friendship Gathering Held

SK0612234893 Pyongyang KCNA in English 2215 GMT 6 Dec 93

[Text] Tokyo, December 4 [date as received] (KNS-KCNA)—"Japan-Korea Friendship 93" took place at Meiji University on November 28 with a view to promoting peaceful amity and friendship between Korean students studying at universities and special schools of Japan and Japanese students.

A debate "on questions arising in improvement of relations between Japan and Korea" was held at the gathering.

Delivered there were reports titled "Asian Situation Surrounding the Korean Peninsula and Japan," "On the Situation of Human Rights of Koreans in Japan" and "Issues of Korean Comfort Women for the Army, Forcible Drafting and Compensation."

Cultural exchange took place and a joint resolution was adopted at the gathering.

The gathering was sponsored by the Kanto district headquarters of the union of Korean students studying at [words indistinct] league of Korean youth in Japan and the practical committee consisting of Japanese students and personages concerned.

Seminar on Korean Peace Held in Osaka, Japan

SK0712122393 Pyongyang KCNA in English 1017 GMT 7 Dec 93

[Text] Tokyo, December 5 (KNS-KCNA)—A seminar on the question of peace and reunification of the Korean peninsula took place in Osaka, Japan, on November 30.

Reports were delivered at the seminar by Prof. Hiroharu Seki of Ritsumeikan University, Prof. Yasuhiro Maeda of Kitakyushu University and Ayajo Kubo, a military analyst.

Hiroharu Seki in his report on the subject "On the International Situation Surrounding the Korean Peninsula" said although the Cold War era has allegedly come to an end, the great-power chauvinistic structure still exists on the Korean peninsula.

One cannot say the Cold War structure has collapsed in this region while "Team Spirit" joint military exercises are continued, he said, charging that it was the U.S. nuclear strategy that has hindered the denuclearization of the Korean peninsula.

Yasuhiro Maeda in his report "On DPRK-USA Talks and Reunification of the Korean Peninsula" said "it is the U.S. nuclear policy that poses a threat to us, not the 'nuclear problem' of the DPRK."

Noting that the question of reunification of the Korean peninsula is not only the Korean issue but a worldwide concern, he stressed "we should cooperate in the reunification of Korea."

Plans To Conduct Missile Test in Iran Denied

SK0812103893 Pyongyang KCNA in English 1024 GMT 8 Dec 93

["Rumor About 'Missile Test' Is Downright Lie"—KCNA headline]

[Text] Pyongyang, December 8 (KCNA)—The Democratic People's Republic of Korea which has made persistent efforts for world peace and security has no plan of "missile-launching test" with Iran and will never do such things.

This is the DPRK's definite answer to the false propaganda of the Japanese TOKYO SHIMBUN.

Recently, the newspaper carried a false report that the DPRK, with "the approval of Iran," was planning to have a "missile test" in the Iranian territory in mid-December. This is a wholly groundless propaganda and another smear campaign to slander the DPRK and do harm to it.

In October, YOMIURI SHIMBUN reported that the DPRK was to have a "missile test" in the Iranian territory in late October. But such a thing never occurred.

The DPRK not only stated long ago that it would not deliver or export such mass destruction weapons as missiles but also has made constant efforts to this end. The allegation that the DPRK will have a missile test in a Middle East country far away from it is really nonsensical.

As already reported, Iran, too, categorically denied the report.

Japan must promptly stop the preposterous false propaganda aimed at isolating and stifling the DPRK.

Reportage on Lao Party, State Delegation Visit

Lao Delegation Arrives

SK0712125593 Pyongyang KCNA in English 1004 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—A party and government delegation of the Lao People's Democratic Republic headed by Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and prime minister of the Government of the Lao People's Democratic Republic, arrived in Pyongyang by special plane today to pay an official goodwill visit to Korea upon the invitation of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea.

The Pyongyang airport and streets of the capital were decked in festive attire to greet the friendship mission of the fraternal Lao people.

Set up at the airport were portraits of president Kim Il-song and Prime Minister Khamtai Siphandon and slogan boards reading "Warm Welcome to the Lao Party and Government Delegation Led by Comrade Khamtai Siphandon!" and "Long Live the Unbreakable Militant Friendship and Unity Between Korean and Lao Peoples!"

The guests were met at the airport by Politburo member of the Central Committee of the Workers' Party of Korea and Premier of the Administration Council Kang Song-san, Politburo member of the C.C. [Central Committee], the WPK, Vice-Premier of the Administration Council and Foreign Minister Kim Yong-nam and other senior officials and Korean Ambassador to Laos Chang Yong-chun.

The guests were warmly welcomed by thousands of Pyongyang citizens who came out to the airport with miniature flags of the two countries and bunches of flowers in their hands.

Some 100,000 people of the capital cheered Prime Minister Khamtai Siphandon along the route from Yonmot-tong to Kumsong Street.

Paek Hak-yon, permanent vice-chairman of the Pyongyang Municipal People's Committee, presented a silver knife, a gift for the most distinguished guest, to Prime Minister Khamtai Siphandon.

Premier Kang Receives Delegation

SK0712032993 Pyongyang Korean Central Broadcasting Network in Korean 0228 GMT 7 Dec 93

[Text] A Lao People's Democratic Republic Party and Government delegation led by Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister of the Lao People's Democratic Republic, arrived in Pyongyang this morning to pay an official goodwill visit to our country at the invitation of Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president.

The Pyongyang airport and streets of the capital pervaded with an atmosphere of warm welcome in receiving the Lao people's friendship delegation.

Comrade Khamtai Siphandon and his wife, members of the delegation, and other accompanying officials came.

The guests were received at the airport by Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the Administration Council; Comrade Kim Yong-nam, member of the WPK Political Bureau Central Committee, vice premier of the Administration Council, and minister of foreign affairs; Comrade Hong Song-nam, candidate member of the WPK Political Bureau Central Committee and vice premier of the Administration Council; Vice Marshal Kim Kwang-chin, vice minister of the People's Armed Forces; Yi Song-tae, chairman of the External Economic Committee; Minister of City Management Yi Chol-pong, chairman of the Korean-Lao Friendship Society; Kim Yang-kon, deputy chief of a department of the WPK Central Committee; Vice Minister of Foreign Affairs Cho Kyu-il; and Chang Yong-chun, DPRK ambassador extraordinary and plenipotentiary to the Lao People's Democratic Republic.

Comrade Khamtai Siphandon waved towards the thousands of people who were enthusiastically applauding, got in a car, and headed for the downtown area where a crowd of about ten thousand were waiting.

Kim Il-song Greets Lao Premier

SK0812001193 Pyongyang KCNA in English 2248 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, today greeted Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party [LPRP] and premier of the Government of the Lao People's Democratic Republic, on an official goodwill visit to the DPRK.

President Kim Il-song exchanged cordial greetings with Premier Khamtai Siphandon and hugged him.

A welcome function took place.

The Lao premier, conducted by President Kim Il-song, reviewed a guard of honor of the three services of the Korean People's Army.

Present there were the members of the delegation—Phao Bounnaphon, member of the C.C. [Central Committee], LPRP and minister of the office of premier; Somsavat Lengsavat, member of the C.C., LPRP and foreign minister; Bouathong Vonglokham, member of the C.C., LPRP and minister of communications, transport, posts, and construction; Siphon Phalikhanh, member of the C.C., LPRP, vice- minister of national defence and director of the General Political Bureau of the Lao People's Army; Thongvanh Phanladsavong, vice-minister of foreign trade; Cheuang Sombounkhanh, deputy chief of the cabinet of the C.C., LPRP; Khempheng Phonsena, vice-president of the committee for planning and cooperation; and Ponmek Dalaloi, Lao Ambassador E.P. [extraordinary and plenipotentiary] to the DPRK; and the suite.

Also present were Kang Song-san, Politburo member of the C.C., WPK and premier of the Administration Council; Kim Yong-nam, Politburo member of the C.C., WPK, vice-premier of the Administration Council and foreign minister; Hong Song-nam, alternate Politburo member of the C.C., WPK and vice-premier of the Administration Council; Vice Marshal of the Korean People's Army Kim Kwang-chin; Yi Chol-pong, minister of city management and chairman of the Korea-Laos Friendship Association; Yi Song-tae, chairman of the State External Economic Affairs Commission; Kim Yang-kon, vice-director of a department of the C.C., WPK; Cho Kyu-il, vice-minister of foreign affairs; and Chang Yong-chun, DPRK Ambassador E.P. to Laos.

President, Lao Premier Hold Talks

SK0812001593 Pyongyang KCNA in English 2254 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Talks were held here today between Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, and Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic.

Present at the talks on the Korean side were Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice-premier of the Administration Council and foreign minister; Hong Song-nam, alternate member of the Political Bureau of the WPK Central Committee and vice-premier of the Administration Council; Vice-Marshal of the Korean People's Army Kim Kwang-chin; Yi Chol-pong, minister of city management and chairman of the Korea-Laos Friendship Association; Yi Song-tae, chairman of the State External Economic Affairs Commission; Kim Yang-kon, vice-director of a department of the WPK Central Committee; Cho Kyu-il, vice-minister of foreign affairs; and Chang Yong-chun, DPRK Ambassador E.P. [extraordinary and plenipotentiary] to Laos.

Present on the Lao side were minister of office of Premier Phao Bounnaphon, Foreign Minister Somsavat Lengsavat, Minister of Communications, Transport, Posts, and Construction Bouathong Vonglokham, and Vice-Minister of National Defence and Director of the General Political Bureau of the Lao People's Army Siphon Phalikhanh who are members of the C.C. [Central Committee], LPRP, and Vice-Minister of Foreign Trade Thongvanh Phanladsamong, Deputy Chief of the Cabinet of the C.C, LPRP Cheuang Sombounkhanh, Vice-President of the Committee for Planning and Cooperation Khempheng Phonsena, Lao Ambassador E.P. to the DPRK Ponmek Dalaloi, and the suite.

The talks took place in a comradely, sincere and friendly atmosphere.

Kim Il-song Bestows Award

SK0812002093 Pyongyang KCNA in English 2305 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—DPRK's Order of National Flag First Class was awarded today to Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic.

Present at the awarding ceremony was Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea.

President Kim Il-song awarded the order to Premier Khamtai Siphandon.

The presentation ceremony was attended by Kang Song-san, Politburo member of the C.C. [Central Committee], WPK and premier of the Administration Council; Kim

Yong-nam, Politburo member of the C.C., WPK, vice-premier of the Administration Council and minister of foreign affairs; and officials concerned.

Also on hand were the members of the Lao party and Government delegation and the suite.

At the end of the ceremony President Kim Il-song posed for a souvenir picture with Premier Khamtai Siphandon.

Orders and medals of the DPRK were also conferred upon the members of the delegation and suite members.

Kim Il-song Receives Gift

SK0812003693 Pyongyang KCNA in English 2306 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, was presented with a gift today by Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, on an official goodwill visit to Korea.

He saw the gift and expressed thanks for it.

Kim Chong-il Receives Gift

SK0812003793 Pyongyang KCNA in English 2308 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a gift by Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, on an official goodwill visit to Korea.

The gift was handed to an official concerned today.

Banquet Held for Visiting Lao Premier

SK0812044493 Pyongyang KCNA in English 0417 GMT 8 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, arranged a banquet at the Kumsusan Assembly Hall today in honor of the Lao party and government delegation headed by Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, now on an official goodwill visit to Korea.

When President Kim Il-song, conducting Premier Khamtai Siphandon, appeared in the banquet hall, all those present warmly welcomed them with thunderous applause.

President Kim Il-song made a speech.

Then Premier Khamtai Siphandon spoke.

Invited to the banquet were the members of the Lao delegation and its suite.

Present there were member of the Political Bureau of the WPK Central Committee and Premier of the Administration Council Kang Song-san, member of the Political Bureau of the WPK Central Committee and Vice-Premier and Foreign Minister Kim Yong-nam and other officials concerned.

The banquet proceeded in a cordial atmosphere overflowing with friendly feelings.

Kim Il-song Speaks at Banquet

SK0812045593 Pyongyang KCNA in English 0431 GMT 8 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, today arranged a banquet in honor of the Lao party and government delegation and made a speech there.

President Kim Il-song said:

Although I meet you Comrade Khamtai Siphandon for the first time, I feel a sense of intimacy as if I meet an old friend. [sentence as received] This is because the friendship between Korea and Laos is sincere and the peoples of our two countries are revolutionary comrades-in-arms who are fighting hand in hand to realize their common aim and ideal.

He further said:

The two peoples of Korea and Laos formed ties of friendship in their joint struggle against imperialism and for independence a long time ago and have been strongly supporting each other and closely cooperating with each other. The parties and peoples of our two countries do not abandon their revolutionary faith even in the rapidly changing historical current and are invariably and dynamically advancing along the road they have chosen themselves. The fraternal Lao people achieved the historic cause of national liberation by waging a protracted and arduous struggle against foreign imperialists and reactionaries at home under the correct leadership of the Lao people's revolutionary party, and have made great advance in their efforts to build a new, independent, peaceful and prosperous laos.

I deem it very gratifying that the party and Government of Laos, by succeeding to the cause of Comrade Kaysone Phomvihan, are now concentrating main efforts on strengthening the unity and cohesion of the party and enhancing its leadership role, strengthening the ties between the party and the masses, consolidating the people's democratic system and accelerating socio-economic development. Our people sincerely wish that the fraternal Lao people, firmly united behind the Central Committee of the Lao People's Revolutionary Party headed by esteemed Comrade Khamtai Siphandon, will achieve a greater success in their efforts to implement the decision of the fifth party congress, attain national unity and build a new prosperous society.

Under the unfurled banner of the chuche idea full of confidence and optimism, our party and people are now striving for the building of socialism in the northern half of Korea and for the independent and peaceful reunification of the country.

We have been able to build people-centred socialism with success by implementing the chuche-oriented line on energetically carrying on the three revolutions—ideological, technical and cultural—while invariably strengthening people's power and steadily enhancing its function and role in socialist construction. In our country the generation of the revolution is firmly succeeded, the tradition of single-minded unity between the party and popular masses is being carried forward honourably; this is an important guarantee for completing the cause of socialism. Upholding the party's leadership and united around the party still more closely, our people will frustrate the challenge and obstructionist moves of the imperialists and reactionaries and accomplish the cause of socialism, and thus will be loyal to their national and international duty.

For our people to reunify the country is a vital problem affecting the destiny of the nation. Our people will adhere strictly to the principle of national independence and unite firmly under the banner of "the 10-point programme of great unity of the whole nation for reunification of the country" and thus overcome all difficulties in the way of reunification and unfailingly achieve the independent and peaceful reunification of the country with their own national efforts.

Availing myself of this opportunity, I would like to express my deep thanks to the Lao People's Revolutionary Party, Government and people for their constant and unreserved support and encouragement to the just cause of our people for socialist construction and national reunification.

At present many changes are taking place in the international arena and the worldwide concern for Asia is increasing as the days go by. The prevailing situation requires the Asian peoples to discharge their responsibility and fulfil their role as the masters of Asia. The peoples of Asian countries must solidly unite and closely cooperate with each other on the principles of independence and equality, non-interference in each other's internal affairs and mutual benefit and thus should achieve the prosperity, security and peace of Asia and make a positive contribution to the common cause of mankind to build a free and peaceful new world. Our people will actively develop friendly and cooperative relations with the peoples of various Asian countries in order to build an independent, new Asia.

Your current visit to our country will contribute to developing the traditional relations of friendship and cooperation between the two parties, two countries and two peoples of Korea and Laos onto a new, higher plane and strengthening the unity of the Asian peoples.

President Kim Il-song proposed a toast to the long life and good health of esteemed Comrade Khamtai Siphandon.

Lao Premier Delivers Banquet Speech

SK0812042193 Pyongyang KCNA in English 0408 GMT 8 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, made a speech at a banquet arranged today by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in honour of the visiting Lao party and government delegation.

He expressed heartfelt thanks to Comrade President Kim Il-song for the invitation and warm hospitality overflowing with fervent fraternal friendship, particularly for the grand banquet he arranged and the good speech he made about the Lao party, government and people.

He said:

The Korean people have turned the Democratic People's Republic of Korea into a socialist country where the people's material and cultural life is being improved steadily, with an advanced industry, agriculture and developed science and technology, overcoming all difficulties by displaying independence and the spirit of self-reliance to a high degree under the rays of the chuche idea in a short period of 45 years.

These brilliant achievements are results of the outstanding and wise leadership of the Workers' Party of Korea headed by Comrade Kim Il-song, the great leader of the Korean people.

We warmly congratulate the fraternal Korean people on their achievements.

We also reaffirm the Lao people's consistent support for the Korean people's just struggle to achieve a peaceful reunification of the country and for the reasonable proposals of the DPRK to turn the Korean peninsula into a peaceful, stable and nuclear-free zone, and believe that the talks between the North and the South of Korea and between the DPRK and the United States will bear fine fruits in keeping with the aspirations of the Korean people and the peaceloving people in this region and other parts of the world.

Noting that in recent years the Lao people have registered various successes, elementary yet important, by implementing an all-round renovative line of building and developing the people's democratic system, he went on:

Now the Lao people are mobilizing all their strength and ability in the endeavours to build the country under the socio-economic development program till 2000 for the prosperity of the country.

We hope that friendly countries and international organizations will continue to render cooperation and assistance to the Lao People's Democratic Republic on the principles of respect for sovereignty, non-interference in other's internal affairs, equality and mutual benefit.

The peoples of our two countries established excellent relations of friendship and have supported and cooperated with each other from long ago.

We are convinced that the current visit to the DPRK by our high-level party and government delegation will mark an important occasion in defending and strengthening friendship, unity and cooperative relations between the parties, governments and peoples of our two countries and bringing them into more beautiful flowers.

He proposed a toast to the good health and long life of Comrade Kim Il-song, the great leader of the Korean people, and to the good health and long life of Comrade Kim Chong-il, the dear leader of the Korean people.

Lao Delegation Visits Mangyongdae

SK0812112493 Pyongyang KCNA in English 1028 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, who is paying an official goodwill visit to Korea at the head of the Lao Party and Government delegation, visited Mangyongdae on December 8.

The Lao premier and members of the delegation went to the old home in Mangyongdae where President Kim Il-song was born and spent his childhood and saw with interests the historical relics preserved there with utmost care, hearing an explanation about the immortal story associated with this historical home.

They posed for a photograph in front of the home.

Premier Khamtai Siphandon planted a memorial tree in Mangyongdae.

Today the Lao premier and his entourage laid a wreath in the Revolutionary Martyrs Cemetery on Mt. Taesong.

They observed a moment silence in memory of the anti-Japanese revolutionary fighters who laid down their precious lives for the noble cause of the country's liberation and the freedom and happiness of the people.

And Premier Khamtai Siphandon visited the three-revolution exhibition concentrically showing the achievements made by the Korean people in the efforts to implement out the line of the three revolutions, ideological, technical and cultural, and the Taean heavy machine complex and the West Sea barrage.

In the evening, the guests appreciated a music and dance performance of Pyongyang artistes.

Envoy Discusses Nuclear Issue With Russians

SK0812111593 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 7 Dec 93

[Text] The DPRK Embassy in Russia hosted a gathering with Russian social scientists at the embassy building on 2 December. Functionaries from the Orientalism Institute, the Far East Affairs Institute, and the Human Affairs Institute of the Academy of Sciences of Russia, and professors and doctors from the Philosophy Department of the Moscow University were invited to the meeting.

DPRK Ambassador to Russia Son Song-pil and embassy staff were present. Ambassador Son spoke first.

The ambassador said that our country has achieved great results of socialist construction in all sectors under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

He exposed details of the vicious maneuver by the U.S. imperialists and international reactionaries aimed at stifling [apsal] our socialist system under the pretext of the suspicion of nonexistent nuclear development, and noted:

As the world knows, our country has neither the will nor the ability to produce nuclear weapons. Even if we can produce them, for what would they be? The nuclear problem was raised in our country as the United States posed nuclear threats to us by deploying about 1,000 nuclear weapons in South Korea and conducting the Team Spirit joint military exercise, a nuclear war exercise.

Therefore, in order to fundamentally solve the nuclear problem of the Korean peninsula, talks must be held between the United States, the nuclear problem maker, and the DPRK, its victim. Pressure or threats will not work with us.

The ambassador pointed out that the United States has been delaying the third round of DPRK-U.S. talks while demanding unjust conditions, and said:

We proposed a package solution method, which requires that the United States and the DPRK decide what each side should do to resolve the nuclear issue and implement their duties at the same time. If the United States accepts our proposal and the DPRK-U.S. talks are successfully held, the nuclear issue of the Korean peninsula will be fundamentally resolved.

After exposing the fact that Japan and the South Korean authorities are viciously maneuvering to break up DPRK-U.S. talks, the ambassador stressed that their maneuver is aimed at accelerating their own nuclear weapons development and nuclear armament by using the suspicion of our nuclear development as a pretext.

The ambassador urged the United States to abandon its insidious purpose and accede sincerely to the third round of DPRK-U.S. talks, and he continued:

Our position is clear. We will not hold talks while being under pressure. The United States must clearly know who its dialogue counterpart is. If the United States breaks up DPRK-U.S. talks and continues to pose the nuclear threat to us, we will take a corresponding measure [ungdanghan chochi] of retreating the suspension of the effectuation of our declaration to withdraw from the Nuclear Nonproliferation Treaty.

We are ready for both dialogue and war. We have a firm economy, a strong national defense, and the might of single-hearted unity of the people who are united firmly around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. No force in the world can break up this single-hearted unity.

Today, our revolutionary cause pioneered by the great leader Comrade Kim Il-song has brilliantly been succeeded to the dear leader Comrade Kim Chong-il.

Our people will firmly unite around the dear leader Comrade Kim Chong-il in the future too, will defend the banner of socialism to the last, and will brilliantly consummate the socialist cause in our country.

Speeches were made by (Kavalyov), professor and doctor of Moscow University; (Vanin), chief of the Orientalism Institute of the Academy of Sciences of Russia; and other participants at the meeting.

They congratulated the Korean people on their results achieved in the revolution and construction under the banner of socialism, and entirely supported our principled position toward resolving the nuclear issue.

They extended the greatest honor and gratitude to the great leader Comrade Kim Il-song, the creator of the chuche idea, and the dear leader Comrade Kim Chong-il, the successor of the great leader's revolutionary cause.

Kim Il-song Greets Pakistan Prime Minister

SK0812113993 Pyongyang KCNA in English 1030 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent a message to Benazir Bhutto today congratulating her upon her election as chairperson of the Pakistan People's Party.

In the message he expressed the belief that the friendly and cooperative relations between the two parties and two peoples would further strengthen and develop in accordance with the idea of independence, peace and friendship, and wished her great success in her responsible work and happiness.

Kim Yong-nam Greets New Mexican Foreign Minister

SK0812052193 Pyongyang KCNA in English 0501 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—Foreign Minister Kim Yong-nam sent a message to Victor Manuel Camacho Soliz congratulating him upon his appointment as minister for Foreign Affairs of the United States of Mexico.

The message expresses the belief that the friendly and cooperative relations between the two countries will expand and develop in accordance with the idea of independence, peace and friendship, and wishes him great success in his responsible work.

Zimbabwean Parliamentary Delegation Arrives

SK0812053793 Pyongyang KCNA in English 0507 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—A parliamentary delegation of Zimbabwe headed by Naison K. Ndlove, Politburo member of the Central Committee of the Zimbabwe African National Union-Patriotic Front and deputy speaker of the House of Assembly, arrived here Tuesday.

The delegation was met at the airport by vice-chairman of the Supreme People's Assembly Paek In-chun and other officials concerned.

The Supreme People's Assembly hosted a party for the delegation in the evening.

Branch of Sweden Friendship Association Formed

SK0712114693 Pyongyang KCNA in English 1011 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—The inaugural meeting of the Goteborg branch of the Sweden-Korea Friendship Association was held on November 25.

Roger Gros, member of the Political Bureau of the C.C. [Central Committee], the Communist Party-KPML (R) [Communist Party of Marxist-Leninist Revolutionaries] of Sweden, was elected chairman of the branch.

Letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were adopted at the meeting.

WPK, New UK Communist Party Issue Statement

SK0712124993 Pyongyang KCNA in English 1030 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—A joint statement of the Workers' Party of Korea [WPK] and the New Communist Party of Great Britain was published in London on December 5.

A delegation of the WPK held talks with the New Communist Party of Great Britain after attending the 9th congress of the party held on December 4 and 5 at the invitation of the Party Central Committee.

According to the joint statement, at the talks they exchanged views on matters of mutual concern including the questions of peace and socialism, the development of relations between the two parties and the present international situation.

The WPK noted with high estimation that the New Communist Party of Great Britain has in the past remained faithful to the socialist idea and invariably adhered to the principle of anti-imperialist struggle and revolutionary stand even under the difficult circumstances at home and abroad and has conducted unremitting activities for its organizational and ideological consolidation, defence of the interests of the working class and for the unity, strengthening and development of the socialist movement and the international communist movement.

The New Communist Party of Great Britain gave a high appraisal of the fact that the Workers' Party and people of Korea under the guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il have achieved singlehearted unity of the leader, the party and the masses and are triumphantly advancing the anthropocentric cause of socialism, an embodiment of the chuche idea, smashing ceaseless challenges of the imperialists. It said the achievements of the WPK in its activities and socialist construction give great confidence and inspiration to the progressive forces aspiring after socialism.

Both sides shared the view that the developments in the international arena in recent years show all the more clearly that capitalism cannot solve any problems facing mankind and the road to socialism is the only way of attaining independent development and prosperity of countries and nations and durable peace and stability, the way for all the people to enjoy genuine freedom and happiness as true masters of society.

The New Communist Party of Great Britain held that the imperialists should stop their attempts to destroy the socialist cause of the Korean people by putting pressure on the DPRK on the pretext of the fictitious "nuclear problem" and that the nuclear problem on the Korean peninsula must be solved on the basis of the spirit of the DPRK-USA joint statement through dialogue and negotiation between the DPRK and the United States.

The sides shared the view that to ensure durable peace and security on the Korean peninsula and in Asia the North and the South of the Korean peninsula must be reunified through a confederacy on the basis of one nation, one state, two systems and two governments in accordance with the "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country".

Sympathy Message Sent to Cuban Government

SK0812111993 Pyongyang KCNA in English 1020 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—The Administration Council of the Democratic People's Republic of Korea sent a message of sympathy Sunday to the Council of Ministers of the Republic of Cuba for the heavy losses in human lives and materials caused by a heavy rain in the eastern area of Cuba lately.

The message expressed the belief that the Council of Ministers and People of Cuba would clear away the damages in a short time and stabilize the life of the people in the afflicted area.

Portuguese Campaign Demands Troops Leave South

SK0812043493 Pyongyang KCNA in English 0413 GMT 8 Dec 93

[Text] Pyongyang, December 7 (KCNA)—A widespread signature campaign demanding the withdrawal of all foreign troops from South Korea in accordance with the resolution of the 30th session of the UN General Assembly and supporting Korea's peaceful reunification was held in Portugal under the co-sponsorship of the Portuguese Committee for Independent and Peaceful Reunification of Korea and the Portugal-Korea Friendship Association.

The signature paper was signed by chairman of the Democratic Renovation Party of Portugal Manuel Vargas Loureiro on behalf of his 10,000 party members, by chairman of the National Direction Committee of the Democratic Intervention of Portugal Blasco Hugo Fernandes on behalf of his 6,500 party members, by mayor of Beja City, Portugal, Jose Manuel Marques on behalf of 22,000 citizens, by mayor of Amadora City Orland Almeda on behalf of 200,000 citizens, by mayor of Benabente City Antonio Jose Ganhao on behalf of 16,000 citizens, by mayor of Montijo City Jasinta Ricardo on behalf of 45,000 citizens, by mayor of Alcochete City Miguel Boieiro on behalf of 13,000 citizens and by mayor of Guarda City Abilio Curto on behalf of 52,000 citizens.

Portuguese political and public figures and people of all walks of life participated in the campaign. Their number reached 444,390 as of November 29.

The signature paper says Korea's reunification must be realised through confederacy, urging that all foreign troops should be withdrawn from South Korea and the inter-Korean agreement and principles of the DPRK-USA joint statement be implemented in good faith.

Caribbean Leaders Support Korean Reunification

SK0812111493 Pyongyang KCNA in English 1007 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—President of Trinidad and Tobago Noor Hassanali, when he received the Korean ambassador on December 2, said that the division of the Korean nation with a long history of 5,000 years was a big tragedy and hoped that the Korean people would be reunified into one to live in harmony.

He urged the United Nations to make every possible effort for the reunification of Korea.

"I wish the great President Kim Il-song and the dear leader His Excellency Kim Chong-il greater success in the work for the prosperity of the DPRK and national reunification", he said.

Governor-General of Barbados Dame Ruth Nita Barrow, when she received the Korean ambassador on November 30, said that Korea should be reunified according to the 10-point programme of the great unity of the whole nation for the reunification of the country put forward by President Kim Il-song.

She expressed her hope that the DPRK-USA joint statement would be realised and thus the situation of the Korean peninsula would be eased at an early date.

Foreign Groups Publish Bulletins on DPRK

SK0812113793 Pyongyang KCNA in English 1018 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—The Poland-Korea Association published its bulletin No. 6.

The bulletin reviews the great leader President Kim Il-song's reminiscences "With the Century" and carries his immortal classical work "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" and the dear leader Comrade Kim Chong-il's immortal classical work "The Historical Lesson in Building Socialism and the General Line of Our Party".

The bulletin runs an article on the concrete wall built by the South Korean authorities in the area south of the Military Demarcation Line.

The Peru-Korea Institute of Culture and Friendship November 29 published a special issue of its bulletin with articles headlined "Mrs. Kim Chong-suk, Anti-Japanese Heroine," "Constitution of Popular Masses" and "Ideological, Technical and Cultural Revolutions in the Countryside".

The bulletin stresses that Mrs. Kim Chong-suk was a great revolutionary who unfailingly remained faithful to the great President Kim Il-song and devoted all her life to the final victory of the Korean revolution.

The socialist constitution of Korea has the mission to defend the socialist system centering on the popular masses and guarantee the victory of the revolutionary cause of the working class, says the bulletin.

A bulletin was also brought out by the Lausanne Cultural Information Centre on the Democratic People's Republic of Korea in Switzerland.

UN Resolution on Reunification Urged Implemented

SK0712122293 Pyongyang KCNA in English 1013 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Godofredo Garcia Rendon, member of the International Law Institute of Italy and doctor of law of Peru, in his letter to the UN secretary general on November 29 urged the fulfilment of the resolution of the 30th session of the UN General Assembly on creating a favourable condition for the promotion of the independent and peaceful reunification of Korea.

Noting that the Korean issue is one of the important questions that must be settled as soon as possible, he said it has not yet been resolved owing to the splittist moves of the United States and South Korea.

He hoped for a deep attention to the fulfilment of the resolution on replacing the armistice with a durable peace and creating a favourable condition for the promotion of the independent and peaceful reunification of Korea which was adopted at the 30th session of the UN General Assembly 18 years ago.

Kim Tal-hyon Released From Vice Premier Post

SK0712225693 Pyongyang Korean Central Broadcasting Network in Korean 2222 GMT 7 Dec 93

[Text] The DPRK Central People's Committee [CPC] decree on releasing Comrade Kim Tal-hyon from the position of vice premier of the DPRK Administration Council and chairman of the State Planning Committee:

In connection with transferring Comrade Kim Tal-hyon to another position, the DPRK CPC releases him from the position of vice premier of the Administration Council and chairman of the State Planning Committee.

[Signed] DPRK President Kim Il-song

[Issued] 7 December 1993, Pyongyang

New Chairman of State Planning Committee Named

SK0712230293 Pyongyang Korean Central Broadcasting Network in Korean 2223 GMT 7 Dec 93

[Text] The DPRK Central People's Committee [CPC] decree on appointing Comrade Hong Sok-hyong as chairman of the DPRK State Planning Committee:

The DPRK CPC appoints Comrade Hong Sok-hyong as chairman of the State Planning Committee.

[Signed] DPRK President Kim Il-song
[Issued] 7 December 1993, Pyongyang

KCNA Reports Personnel Changes

SK0812051593 Pyongyang KCNA in English 0508 GMT 8 Dec 93

[Text] Pyongyang, December 8 (KCNA)—Decrees of the Central People's Committee of the DPRK dated December 7 on relieving and appointing the chairman of the State Planning Commission were issued.

According to them, Kim Tal-hyon was relieved from the posts of vice-premier of the Administration Council and chairman of the State Planning Commission upon his transference to another post and Hong Sok-hyong was appointed the chairman of the State Planning Commission.

Account Settlement Meetings Held in Rural Areas

SK0712122493 Pyongyang KCNA in English 1021 GMT 7 Dec 93

[Text] Pyongyang, December 7 (KCNA)—Meetings are being held in rural communities in Korea for year-end account settlement and income distribution.

The Ipsok cooperative farm in Mundok County, South Pyongan Province, fulfilled state assignments for food grain at 105.8 percent, vegetables at 107.2 percent, meat at 108.6 percent and fruits at 100.6 percent. The farm this year produced over 10,000 tons of grain by doing farming well as required by the chuche method of farming.

The Mukchon cooperative farm in Unpa County, North Hwanghae Province, also carried out their plans of food grain, meat and cocoons respectively at 110, 121 and 109 percent.

At the Hwasan cooperative farm in Sinchon County, South Hwanghae Province, the per hectare yields of paddy rice and maize were respectively more than 8 tons.

Among the farms that have overfulfilled the yearly grain production plans are the Ch ngsuwon cooperative farm in Samsok District, Pyongyang, the Sinhung cooperative farm in Hanggu District, Nampo Municipality, and the Taechong cooperative farm in Unpa County, North Hwanghae Province, where much grain and cash went to each household.

Having reaped a gratifying bumper harvest, cooperative farms in different parts of the country now are putting big efforts into preparations for next year's farming with the aim of bringing about again bumper crops next year, the year in which falls the 30th anniversary of the publication of the great rural theses.

Daily Stresses People Trust Party's Leadership

SK0712113693 Pyongyang KCNA in English 1035 GMT 7 Dec 93

["To Trust and Uphold Party Wholeheartedly is Korean People's Noble Trait, NODONG SINMUN"—KCNA headline]

[Text] Pyongyang, December 7 (KCNA)—NODONG SINMUN in an editorial today stresses that it is a proud feature of Korea today that the entire people uphold the party's leadership with a loyal heart.

The editorial says:

It is a noble revolutionary trait of our people today to trust and uphold the party wholeheartedly.

Ours is a revolutionary people intensely loyal to the party. Our people, men and women, young and old, trust the party and the leader and entrust their destiny wholly to the party. In weal and woe, our people look up to the dear leader Comrade Kim Chong-il, harden their pledge to defend the party with their lives in any adversity and dedicate their youth and life to that cause. The more difficult and complex the situation, the more unshakable their will to trust the party and push the way through any storm together with it.

No matter how desperately the imperialists and reactionaries may try to put political and military pressure on the DPRK, blockade it economically and stifle it, no force on earth can block the courageous march of the Korean people following the party and the leader.

It is a traditional revolutionary quality of our people to remain loyal to the party and the leader with a single heart.

The glorious history of our party guided by the chuche idea is run through with trust and loyalty, loving care and filial piety between the party and the people, between the leader and his men.

The long history of the Korean revolution and today's reality eloquently prove that the single hearted loyalty to the party is the source of the inexhaustible strength promoting the Korean revolution.

The entire party members and other working people must believe more firmly that the revolutionary cause of chuche, the cause of socialism, will certainly be crowned with victory as long as it is guided by the dear leader Comrade Kim Chong-il.

South Korea

President To Address Nation 9 Dec on Rice Issue

SK0812064093 Seoul YONHAP in English 0626 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—President Kim Yong-sam will explain the inevitability of rice market opening and Korea's commitment to the conclusion of a world trade accord in an address to the nation on Thursday morning.

Morning reports Wednesday anticipated some kind of political decision for favorable progress in Korea's rice negotiations as the result of a telephone discussion between Presidents Kim Yong-sam and Bill Clinton, but the mood in the presidential office remained dark with little show of improvement in talks with U.S. Trade Representative Mickey Kantor.

Agriculture, Forestry and Fisheries Minister Ho Sin-haeng could not spend enough time with Kantor, who had to quickly fly back to Washington after hitting a deadlock in his talks with the European Community, a presidential aide said.

Ho and the Seoul-side negotiators were kept waiting for hours as U.S.-EC negotiations in Brussels ran late due to disagreement over audio and video trade.

"Minister Ho seemed to be very depressed," the aide said of the shortened talks.

The aide cautiously expressed optimism for future negotiations, due to take place on Sunday, as Kim and Clinton discussed the rice issue over the phone on Tuesday. He was careful not to be too hopeful, though, noting that many say that orders from the top do not always hit the bottom in the American mechanism.

Asked to what extent the rice issue was discussed by Kim and Clinton, he said the two dropped the small talk and went straight into the issue, which absorbed a considerable portion of their 30-minute dialogue.

When he took the call and directly discussed rice market opening with Clinton, Kim showed that he will not sit around over the problem because it is linked to the livelihood of 6 million Korean farmers, the presidential aide said. He said he understood Tuesday's rally protesting farm market opening was a reasonable response by Korean farmers. Those few who clashed with police and got hurt did not appear to be farmers, he said, adding he was relieved that things ended fairly peacefully.

Kim will make the statement from Chongwadae (the presidential office) with Prime Minister Hwang In-song and the rest of his cabinet, and chief presidential secretary Park Kwan-yong and the other senior presidential staff present, Presidential Spokesman Yi Kyong-chae said.

"I have nothing to say about the statement at this stage," Yi said.

Kim is expected to apologize for breaking his campaign pledge to block rice market opening, and promise to do his utmost to minimize the damage to farmers through negotiations with the United States.

He is likely to say that rice market opening was inevitable in order to ride the free-trade train and leap into the ranks of the advanced nations through internalization, openness and globalization. He is certain to speak on behalf of his administration about its determination to actively support and revamp the farming industry after the decision to partially allow rice imports.

The chief executive is, however, unlikely to reveal the details of Seoul-Washington negotiations in Geneva as they have yet to be concluded.

Kim was expected to speak publicly on the matter after the final Korea-U.S. negotiating session on Sunday, but he advanced the date on the understanding that something should be said to calm and persuade the public and farmers as soon as possible, insiders say.

Government Seeks 3-Year Freeze on Rice Imports

SK0812010593 Seoul YONHAP in English 0050 GMT 8 Dec 93

[Text] Geneva, Dec. 7 (YONHAP)--South Korea asked for a three-year moratorium on rice imports before allowing minimum market access in talks Tuesday with U.S. Trade Representative Mickey Kantor, but was rebuffed.

Agriculture, Forestry and Fisheries Minister Ho Sin-haeng said after the meeting that he will make harder efforts to win a three-year grace period in a decisive meeting with Kantor and Agriculture Secretary Mike Espy on Sunday.

With a compromise on Korean rice market opening about wrapped up, Ho and Kantor focused on the scope and conditions of minimum access, the chief Uruguay Round negotiator from Seoul said. Seoul asked that minimum access be suspended for more than three years after 1995, when the world trade pact takes effect.

Ho told reporters that he wanted to postpone or, if possible, block minimum access as long as possible.

Kantor had told him that it was very difficult to agree to Seoul's proposal, but he withheld a final response until their next meeting in four or five days to allow consultations with Washington, Ho said.

The trade representative returned to Washington after meeting with Ho and is due back in Geneva a couple of days later with the final U.S. position.

In short, the decision on a grace period for Korean rice imports is up to Presidents Kim Yong-sam and Bill Clinton, observers say.

Before his meeting with Kantor on Sunday, Ho said, he would be busy talking to representatives of Canada and 13 other Cairns Group farming countries, Japan, and the European Community to seek their understanding about possible favorable conditions on Korean rice opening. He said he explained the difficult realities of the Korean farming industry to Kantor and intended to offer wider access in the financial and service sectors in return for some three years of grace period on minimum access, but failed to get any agreement during this round.

Ho, looking tired after his talks with Kantor, likened rice negotiations to mountain climbing, which looks fairly easy during first stages but gets harder and harder near the top.

Government Agrees To Open Agricultural Market

SK0812011693 Seoul TONG-A ILBO in Korean 8 Dec 93 p 1

[Report by Kim Ki-man and Cho Hon-chu from Geneva]

[Text] At 1600 [1500 GMT] on 7 December, the ROK and the United States held high-level talks at the office of the U.S. trade representative in Geneva to discuss a package solution of the rice issue and other pending issues concerning the UR [Uruguay Round] negotiations. Ho Sin-haeng, head of the ROK delegation to the UR negotiations and minister of agriculture, forestry, and fisheries; U.S. Trade Representative Mickey Kantor; and other assistant minister-level officers attended the meeting.

At the meeting, the two sides had intensive discussions on additional conditions for opening the rice market in the ROK, which had been outlined during the three rounds of ROK-U.S. ministerial talks between Ho Sin-haeng and Mike Espy; and discussed conditions for opening 14 basic agricultural products including beef, pork, and oranges. They also intensely discussed a date and scope for the additional opening of the ROK financial and service market, in which the United States is interested, and other pending ROK-U.S. trade issues concerning the UR negotiations.

At the meeting, the two sides discussed the possibility of a package solution of the rice issue and other issues of common interest based on the results of previous negotiations and agreed to the package solution in principle. About one hour after they reached the agreement, they closed the meeting because of Representative Kantor's busy schedule and decided to hold assistant minister-level talks beginning 8 December for as long as needed.

Meanwhile, in ROK-U.S. working-level talks held before the above meeting, the two sides agreed to liberalize imports of 14 basic agricultural products, including beef, under the condition of imposing a high tariff beginning 1995.

The United States has withdrawn its demand that ROK import nine products out of the 14—including beef, pork, poultry, and dairy products (BOP [balance of payment] items)—with the current tariff by July 1997, and the ROK agreed to open its market for them under a higher tariff condition in 1995.

Activists Demand Meeting With U.S. Ambassador

SK0812075293 Seoul YONHAP in English 0742 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Anti-import activists announced Wednesday that they will stage nationwide protests on Saturday to denounce the government for moving to open the rice market.

"The first rally in front of the Seoul Station on Tuesday was only a start of our struggle, not an end, and it was also a prelude to our struggle to be widely spread to every corner of the country," a spokesman for the Pan-national Committee for Emergency Measures to block market opening for principal farm products told a press conference.

"The second rally will be held simultaneously throughout the country Saturday and we will have street parades and campaigns," he said.

"The government should decide whether it will put a blank country schedule of market opening for principal farm products on the Uruguay Round negotiating table or frankly announce that it will give up agriculture."

The committee demanded all economic ministers resign and called for a national referendum on rice market opening and a meeting with U.S. Ambassador James Laney.

U.S. Army Rice Sold at Street Markets in Taegu

SK0812045993 Seoul HANGUK ILBO in Korean 8 Dec 93 p 30

[By reporter Chon Chun-ho from Taegu]

[Text] It has been learned that a U.S. rice called Calrose, which is produced in California and has been illegally circulating near the U.S. Army base in Taegu for about 10 years, was recently selling at markets on streets in the city and that an increasing number of consumers buy it in spite of the continuing demonstrations against the rice market opening. Thus, Taegu Municipal Office and Taegu Nam-ku Office have begun to crack down on this.

Stores dealing with imported goods in the Pongdok market near Camp Walker in Nam-ku and in Yankee markets in Chung-ku, Taegu sell Calrose rice at 5,000 won for a 10-pound bag and at 2,500 won for a five-pound bag. As Calrose rice is two-thirds the cost of the price of ordinary ROK rice, the number of its consumers is ever increasing.

A total of 1,838 bags of 10 pound and 167 bags of five-pound Calrose rice was sold in the food commissary in Camp Walker during October. Most of these were sold to U.S. soldiers' Korean spouses, who sell some of the rice from the commissary to about 10 stores dealing with imported goods in the Pongdok market and to groceries near the Army base.

The manager of a store dealing with imported goods in the Pongdok market said, "I have become reluctant to sell Calrose rice due to the farmers' demonstrations opposing rice imports. Because I have some customers who want to buy Calrose rice, however, I sell it by hiding the rice bags in a corner so people cannot easily see it."

Polls Show Disapproval on Rice Market Opening

SK0812124593 Seoul YONHAP in English 1206 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Most South Korean consumers are dissatisfied with the way the government handles the issue of rice market opening, recent polls have indicated.

Polls taken by the Korean consumers association toward 1,053 consumers in seven major cities twice last October and this month indicated that 90.2 percent of the pollees displayed their distrust in the government ability to cope with the rice market situation.

The association, releasing the outcome of the opinion surveys on Wednesday, said 32.1 percent of the respondents said they feel the government's diplomatic ability was not sufficient enough, 29.9 percent said farmers' stand was not properly reflected, and 28.2 percent said they believe the government was being dragged around by main Uruguay Round negotiator countries.

Only 8.5 percent said the government has been coping with the matter well.

The seven cities where the surveys were held were Seoul, Pusan, Taegu, Inchon, Mokpo, Chunchon and Uijongbu.

Of the pollees, 58.1 percent said that unlike manufactured goods market, rice market cannot be opened under all circumstances, while 27.8 percent said that under the principle of free international trade, Korea should allow the imports of foreign rice even in a small amount.

Another 13.2 percent said they believe the opening of rice market, like that of industrial goods, would be unavoidable.

In the initial October poll, up to 77 percent of the pollees disapproved rice market opening. In the early December survey, however, only 44 percent said "no" to the imports of foreign rice.

Of the 432 consumers who said rice imports would be unavoidable, 43.8 percent reasoned that "international economy is based on the principle of reciprocal exchanges," and 33.3 percent said an unopened rice market would bring about a tremendous setback to the country's exports of manufactured goods.

Asked if they would buy foreign rice if it were imported, 64.1 percent said they would never purchase foreign rice regardless of its price and quality, while 35.9 percent said they will buy it if imported rice is cheaper or quality is better.

Of those who said they won't use imported rice, 40.7 percent gave "protection of our farmers" as the reason for their boycott of foreign rice.

Other reasons given included "for food security" (25.3 percent), "foreign rice being unfit for our body" (14.0 percent), "retaining of farmlands as a means of preserving the environment" (13.3 percent), and "suspected contamination of foreign rice with farm chemicals" (6.7 percent).

As the reasons for their preference of Korean rice to foreign rice, 63.7 percent cited the theory that "farm goods raised on our soils are best suited to our physical conditions."

Other reasons for the liking of Korean rice included "it tastes good" (13.2 percent), "it is fresh because marketing period is short" (12.0 percent) and "it is safe" (9.8 percent).

Kim Yong-sam, Clinton Respond to DPRK Offer

SK0812012093 Seoul YONHAP in English 0106 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Presidents Kim Yong-sam and Bill Clinton agreed in a telephone conversation Tuesday that North Korea's nuclear inspection offer contains some elements that deserve a positive reaction from South Korea and the United States, but that it is insufficient and unsatisfactory as a whole.

The two presidents felt that the offer made by North Korea on Friday requires basic consideration regarding the future of the Korean peninsula, and agreed to take advantage of the opportunity within reason, Presidential Spokesman Yi Kyong-chae said Wednesday.

Yi said that making use of the opportunity within reason meant that the presidents had agreed to consider elements of the offer and not reject it entirely.

In their 30-minute conversation, Clinton conveyed the firm and resolute U.S. stance on the North Korean nuclear issue and Kim stressed the need for close cooperation between their countries in dealing with the issue, Yi said. They agreed to continue discussing details of a joint South Korea-U.S. approach to the North Korean nuclear issue at a working level.

Chong Chong-uk, senior presidential secretary for foreign affairs and national security, will fly to Washington to meet with National Security Adviser Anthony Lake for talks on the approach.

Yi said the presidents discussed tariffication of rice and rice market opening, but he refused to reveal the content of their discussion because negotiations between the two governments are under way in Geneva.

The negotiations are expected to make progress on the basis of the presidential conversation, officials said.

On Dec. 3, Kim reportedly met a high-ranking U.S. Government official at his office to ask for U.S. understanding of Korea's unique situation in Uruguay Round negotiations on rice market opening.

The telephone conversation was the first between the two presidents using a hot line that was opened in July.

U.S. Reportedly To Present DPRK With New Offer

SK0812030893 Seoul YONHAP in English 0301 GMT 8 Dec 93

[Text] Washington, Dec. 8 (YONHAP)—The U.S. Administration regards North Korea's offer last week to open some nuclear sites to international inspectors as inadequate and will make its official response in a week at the earliest, after discussions with South Korea, Japan and China, according to diplomatic sources.

Washington will have one or two days of discussions with Seoul as it was concluded in a White House meeting on Tuesday that the North Korean proposal is insufficient to resolve the suspicion surrounding its nuclear development program.

It will present its official response to Pyongyang in an unofficial contact with the North Korean Mission to the United Nations in New York as early as late this week, the sources said.

White House Spokeswoman Dee Dee Myers meanwhile said that U.S. President Bill Clinton had a telephone conversation with Korean President Kim Yong-sam for 25 minutes on Tuesday morning.

Clinton reaffirmed in their conversation the U.S. position that North Korea must open all nuclear sites to international inspectors and resume talks with South Korea for a nuclear-free Korean peninsula, she said.

Clinton told Kim that he would take the next course of action after discussions with U.S. allies, reconfirming the U.S. security commitment to South Korea.

Myers, saying that Clinton spends many hours on the North Korean nuclear problem because it has come to need an urgent solution, hinted that the U.S. Government will not drag out the issue indefinitely.

Another diplomatic source said that no deadline has been set for solution of the North Korean nuclear issue, but the International Atomic Energy Agency will refer it to the U.N. Security Council if it concludes the continuity of nuclear safeguards in North Korea is broken. For the time being, efforts to solve the issue through dialogue would continue, he said.

State Department Spokeswoman Christine Shelley said Washington would consult with Beijing on the North Korean nuclear issue.

Asked how long it would take to present a formal response to Pyongyang after discussions with its allies, she said it would take days and the discussions would proceed rapidly.

Moscow Says DPRK Offer 'Not Sufficient'

SK0812012993 Seoul YONHAP in English 0120 GMT 8 Dec 93

[Text] Moscow, Dec. 8 (YONHAP)—The Russian Government said Tuesday that North Korea's acceptance of partial nuclear inspection represents a step forward, but not sufficient enough to lead to a fundamental solution of the problem.

North Korea's expression of its willingness to accept international inspection on some nuclear facilities showed it was turning to a positive position in light of the opinion of the international community, Foreign Ministry Spokesman Gregoriy Karasin told reporters.

The proposal does not, however, lead to a fundamental solution of the problem, which calls for full implementation of its obligations under the Nuclear Nonproliferation Treaty and a guarantee of uninterrupted nuclear inspection, Karasin said.

The Russian Government hopes the problem of banning nuclear proliferation on the Korean peninsula will be resolved through constructive dialogue and mutual cooperation between North Korea and the International Atomic Energy Agency at an early date, he said.

Steps 'Inevitable' if North Refuses Inspections

SK0812034993 Seoul KBS-1 Radio Network in Korean 0315 GMT 8 Dec 93

[Text] The Advisory Council on Democratic and Peaceful Unification Policy held a joint meeting of its Management and Standing Committees on 8 December. At the meeting, government offices concerned delivered reports on the current status regarding the North Korean nuclear issue and South-North relations. The Advisory Council adopted a four-point resolution including a point urging an early solution of the North Korean nuclear problem.

In the resolution, the Advisory Council on Democratic and Peaceful Unification Policy urged North Korea to accept transparent nuclear inspections and to resume the

South-North dialogue. It also urged the Governments of South and North Korea to take active and immediate measures for meetings and reunion of separated family members, which all the countrymen desire.

In his report, Foreign Minister Han Sung-chu said: The ROK and the United States made it clear that it would be difficult to continue U.S.-North Korean contacts and international measures [kukchejok chawonesoui taecho] will be inevitable unless North Korea accepts inspections by the International Atomic Energy Agency and accedes to the South-North envoy exchange for discussions on the nuclear issue.

Possible Agenda for North's SPA Session Noted

SK0712103593 Seoul KYONGHYANG SINMUN in Korean 6 Dec 93 p 20

[By reporter Chong In-hwa from the "North Korean News" column]

[Text] The sixth session of the Ninth Supreme People's Assembly [SPA] will be held in Pyongyang on 9 December at a time when resolving North Korea's nuclear issue is becoming an urgent one internationally. Attention is being focused on what issues will be discussed at the SPA. An acute situation has developed, such as a report that North Korea and the United States held a secret contact at the UN Headquarters on 3 December and that it was decided during the contact that North Korea will accept a nuclear inspection.

The Board of National Unification put forth four agendas as possible issues that will be discussed at the 9 December SPA. First, being aware of the difficult situation at home and abroad, the SPA may make reports, hold discussions, and adopt resolutions displaying unity and calling for loyalty to Kim Il-song and son and adhering to the current system; second, the SPA may express its extensive position and policy on pending issues, such as the nuclear issue and South-North dialogue; third, the SPA may approve bills adopted at the SPA Standing Committee; and fourth, the SPA may reorganize personnel in the power structure. What is attracting our attention among the four agendas is North Korea's policy on the nuclear issue, the South-North dialogue, and personnel reorganization.

On the 3 December North Korea-U.S. working-level contact, the atmosphere was directed toward resuming North Korea-U.S. negotiations to discuss the nuclear issue. Therefore, in connection with the nuclear issue, it is expected that North Korea will express its position to the extent that its nuclear issue will not be handed over to the UN Security Council.

It seems that for the sake of formality, North Korea will adhere to its existing position for the fundamental resolution of the nuclear issue. That is, North Korea will urge the United States to accept the "package deal method" and, at the same time, will demand the suspension of the Team Spirit exercise and threaten that there will be no need for North Korea to suspend any longer the effectuation of its withdrawal from the Nuclear Nonproliferation Treaty.

However, as it can be seen in the North Korea-U.S. working-level contact, North Korea is estimating that it will be difficult to avoid pressure by the United States and the International Atomic Energy Agency to accept the nuclear inspection. Therefore, there is a good possibility that to prove its nuclear transparency to the international community, North Korea will express its position at the SPA that it will accept the suspended ordinary [tongsang] and ad hoc [imsi] inspections to confirm the operation of its monitoring cameras and sealing work of its nuclear facilities.

Experts on North Korean affairs believe that pending issues, such as the exchange of special envoys of the South and North and South-North mutual inspection, which our side has great interest in, will be accepted one by one as a result of the North Korea-U.S. contact while at the same time adhering to its package deal method.

An official of the Board of National Unification said: "When viewing the attitude of North Korea up until now, it seems that there is little possibility for North Korea to accept the Western countries' demands on the nuclear issue at the SPA. However, since North Korea does not want its nuclear issue to be handed over to the United Nations, it is expected that North Korea will yield to pressure to allow the inspection in order to resume dialogue."

Interest is being focused on what decisions will be made at the upcoming SPA in connection with the personnel issue.

The SPA is held one to two times a year. Deliberation on budget settlement is carried out during the first part of the SPA and deliberations on bills and the issue of personnel are decided on the second part. Yon Hyong-muk was appointed prime minister during the fourth session of the Eighth SPA held in December 1988. Therefore, there is a good possibility that discussions on the personnel issue will be dealt with at the sixth session of the Ninth SPA.

What is attracting interest at the upcoming SPA is the issue of Kim Chong-il's succession of power.

Recently, North Korea designated 1994 as the year to put the finishing touches on the succession of power and started to propagandize it. Experts on North Korean affairs are carefully putting forth the possibility that the schedule of the succession of power may be officially announced in February 1994.

Since late October, North Korea's media has been saying: "Secretary Kim Chong-il has been working at the party Central Committee since 1964 and was designated as the successor in early 1974." The media is propagandizing that February 1994, when he turns 52, will be the "30th anniversary from the time he started work to become a successor," and "the 20th anniversary since he was designated as the successor."

This kind of propaganda is not new. However, through a series of measures, such as electing Kim Chong-il as the supreme commander of the Korean People's Army in 1992, entrusting him with the title of marshal, and electing him as the chairman of the National Defense Commission, we can see that work has been carried out for the succession of power. Therefore, authorities concerned expect that hints on the period for the succession of power may be uncovered during the upcoming SPA.

If Kim Chong-il has been appointed general secretary or chairman of the Military Commission, it is not an agenda to be passed at the SPA. However, if he is entrusted with the position of vice president, this has to be passed through the election of the SPA.

Further Speculation on Agenda

SK0812033993 Seoul YONHAP in English 0330 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—North Korea convenes the sixth session of the Ninth Supreme People's Assembly Thursday [9 December] amid speculation that it may announce Kim Chong-il's appointment as general-secretary of the Workers' Party or unveil a new nuclear or foreign policy, government sources here said Wednesday.

The Supreme People's Assembly, the highest organ under the North Korean Constitution, handles party and government reshuffles, adopts major policies and approves laws.

A government official said that he could not rule out the possibility of North Korea taking a step in connection with Kim Chong-il's succession to power or adopting a sort of resolution regarding its position on the nuclear issue in the two-day session.

Meanwhile, State Planning Commissioner Kim Tal-hyon was dismissed Tuesday and replaced by Hong Sok-hyong, according to NAEWOE PRESS, Seoul's official North Korea watcher.

NAEWOE said that Pyongyang's official central broadcasting station on Wednesday reported: "Kim was dismissed as vice premier and state planning commissioner because he was moved to another post."

His successor was named state planning commissioner, but not vice premier, it said. The broadcast did not say what Kim's new post is.

Hong is an alternate member of the Central Committee of the Workers' Party.

Ministry Says DPRK Patrol Boat Violates Border

SK0812002893 Seoul YONHAP in English 0021 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—A North Korean patrol boat intruded some 1.5 miles (2.4 kilometers) south of the maritime border off the west coast of South Korea on Tuesday evening, the National Defense Ministry said Wednesday. The boat seemed to have inadvertently violated the northern boundary of the seaward extension of the Demilitarized Zone while trailing a Chinese trawler heading south before challenging it, the Ministry said. The boat returned to the North, it said.

The Ministry has decided to file a complaint with the Military Armistice Commission over the violation, officials said.

Inter-Korean Trade Declines in November

SK0712032693 Seoul YONHAP in English 0247 GMT 7 Dec 93

[Text] Seoul, Dec. 7 (YONHAP)—Permits for inter-Korean trade declined to 11.19 million U.S. dollars in November, the National Unification Board (NUB) said in a report Tuesday. The government approved 37 deals worth 11,187,000 dollars in November, down from 43 and 17,458,000 dollars in October.

The 39 purchase approvals for North Korean products worth 15,553,000 dollars in October compare with 31 and 10,637,000 dollars in November (down 31.6 percent), and sales permits diminished from four worth 1,905,000 dollars to six worth 550,000 dollars (down 71.1 percent).

The number of South Korean businesses trading with North Korea was 17 in November, up from 14 in October.

An NUB official attributed the figures to drop in the South's purchases of gold and zinc ingots, which accounted for most of South Korea's purchase from North Korea.

"The decrease is not related to the North Korean nuclear problem at all, but the North Korean supply of the goods suddenly fell in November," he said.

Minister Releases Figures on Japan-DPRK Trade

SK0812115093 Seoul YONHAP in English 1042 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Trade volume between Japan and North Korea had stood at about 500 million dollars a year in the recent past, and future prospect of their trade is unpredictable because of the factors of political instability in North Korea.

A datum on Japan-North Korea trade released by the Finance Ministry on Wednesday showed trade volume between the two countries amounted to 496 million dollars in 1989, 476 million dollars in 1990 and 508 million dollars in 1991.

It indicated that up until 1986, Japan's exports to North Korea outpaced its imports from the communist country. Beginning 1987, however, the trend was reversed with Japan suffering a deficit of 30 to 100 million dollars a year.

Major export items of Japan to North Korea in 1991 were machinery and tools, textile, metallic products and chemical goods, while key items Japan imported from North Korea included textile, metallic items, fish, mineral ores, textile materials and coal.

The Finance Ministry material also said the joint-venture projects North Korea had undertaken with foreign industries totaled 140 as of the end of 1991.

A lion's share, 106, were with pro-Pyongyang Korean businessmen in Japan. Other partners included industries of the former Soviet Union, China, Hong Kong and some European countries, it said.

ROK, PRC Vice Planning Ministers To Meet 10 Dec

SK0812070493 Seoul YONHAP in English 0649 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Vice Economic Planning Minister Kim Yong-tae and Chinese Vice State Planning Commission Minister Ye Qing will meet in Beijing on Friday [10 December] to discuss pending economic issues and industrial cooperation between China and South Korea.

They will exchange views on cooperation in the automobile and time division exchange telephone switching equipment areas, based on a memorandum of understanding signed in October 1993 that says the countries will hold a meeting of vice economic planning ministers annually.

Kim is also to meet with Vice Premier Zou Jiahua and State Planning Commission Minister Chen Jinhua. He will tour Tianjin industrial complex.

Yu Chang-hui, president of the Korea Institute for International Economic Policy, is accompanying Kim and will visit several institutes run by the planning commission to sign memoranda on joint projects.

Samsung Aerospace, PRC Firm Agree on Venture

SK0812000693 Seoul THE KOREA HERALD in English 8 Dec 93 p 8

[Text] Samsung Aerospace Industries Co. said yesterday it has agreed with Tianjin Camera Corporate China to establish a joint-venture camera company in Tianjin, China, to turn out a maximum of one million cameras a year. Samsung will pay 55 percent of $20 million for Chunsung Opto-Electronics Co. and the Chinese company, the remaining 45 percent.

Samsung will provide technology, equipment and material, while the Chinese company will pay royalties for the technology transfer and supply manpower.

The plant, to be constructed on a 33,000 sq. meter site, will be set in motion beginning the second half of next year. A total of 10,000 units will be produced a month in the first year of its operation.

The company plans to increase output to 700,000 units in 1995 and to one million cameras in 1996 to be sold in China, the United States, Europe and Southeast Asian countries, Samsung said.

The agreement was signed Monday by Yi Tae-won, president of Samsung Aerospace, and Chui Yiping, president of Tianjin Camera.

Under an earlier agreement, Samsung has commissioned the Chinese company to produce cameras to be exported to Latin America since September.

Samsung's advance into the overseas camera market will help the company attain its goal of joining the ranks of the five biggest camera makers in the world and serve as an occasion to prove the excellence of Korean-made cameras, the company said.

After entering the camera industry in 1979, Samsung has developed its own models for export to some 60 countries.

Daewoo Sells 5,000 Cars to Iranian Automaker

SK0712104093 Seoul YONHAP in English 0821 GMT 7 Dec 93

[Text] Seoul, Dec. 7 (YONHAP)—Daewoo Motor Co. will export 5,000 of its 800-cc Tico mini-compacts worth 25 million U.S. dollars to an Iranian automaker next year, a company spokesman said Tuesday.

Choe Nak-sok, manager of Daewoo's branch in Tehran, and A. Sajadi Hezaveh, president of Kerman Automotive Co., signed a contract to ship 800 to 1,000 Tico cars a month between January and June next year, the spokesman said.

Daewoo will also sign a contract for 15,000 1.5-liter Lemans Racers and 1.5- and 2-liter Esperos worth 125 million dollars with Kerman sometime this month.

The two companies have agreed to build assembly lines in Iran next year to roll out 50,000 Racers and Esperos a year from 1997, the spokesman added.

Vietnamese Boat People Found Off West Coast

SK0712131893 Seoul YONHAP in English 1155 GMT 7 Dec 93

[Text] Taejon, Dec. 7 (YONHAP)—A drifting small wooden boat with 21 Vietnamese people in it was spotted off the west coast Tuesday afternoon and being towed to the Anhung harbor by a maritime police patrol vessel.

A source at the Tae-an Maritime Police said the 4-ton boat was first sighted 81km northwest of Kyokyolbiyol-do Island of Tae-an-kun around 4 PM.

The people aboard the tiny vessel included 10 men, five women and six children, the source said.

The police plan to handle the Vietnamese boat people in consultation with the immigration and other relevant offices, the source said.

Boat Towed to Harbor, Refueled

SK0812013693 Seoul YONHAP in English 0122 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—A boat carrying 26 Vietnamese to Japan was anchored at Sinjindo port in Taean-kun, South Chungchong Province, on Wednesday morning after being rescued by the maritime police. The 5-ton wooden boat was towed into port after being found drifting off the west coast on Tuesday afternoon, police said. Police gave the boat people fuel and food under a U.N. convention on refugee relief and are arranging for them to continue their voyage to Japan.

The Vietnamese refugees said they fled their country in early September and reached the West Sea via Hong Kong and Shanghai on their way to Japan, police said.

Assembly Ethics Committee Completes Probe

SK0712032893 Seoul YONHAP in English 0222 GMT 7 Dec 93

[Text] Seoul, Dec. 7 (YONHAP)—The National Assembly Ethics Committee has completed its three-month investigation and will discipline three lawmakers for omitting property from their financial statements in September. They are two ruling Democratic Liberal Party lawmakers, one named Pak who left out deposits of hundreds of millions of won in his wife's name, and an independent named Yi.

The three unidentified lawmakers were selected in a meeting on Monday afternoon from among some 10 lawmakers suspected of leaving out property or financial assets when they registered their wealth for disclosure in September.

The committee will decide what form of discipline to impose after hearing their explanations at a meeting Tuesday, Committee Vice Chairman Pak Hun-ki said.

Committee members have examined the financial statements of 299 lawmakers plus grade one and above officials in Parliament. Other ethics committees also concluded their examinations of fiscal disclosure statements on Monday.

The Supreme Court ethics committee confirmed that a judge left out 30 million won when he registered assets of over 1 billion won in September. He was not identified.

The committee will decide what action to take in a meeting on Wednesday after examining whether the omission was intentional. It examined the financial statements of 102 judges and grade one officials in the judicial branch of government.

The Administration Ethics Committee decided on Tuesday to take action against 17 or 18 officials for omitting property from their financial statements in September.

No minister-level, nor vice minister-level officials are among them, committee sources said. Actions include warnings for seven or eight officials and instructions to revise their financial statements for some 10 officials.

There was no false registration, and omissions were found to have been made by mistake in most cases, the sources said.

The committee examined financial statements of 710 grade one and above officials in the administration. It will examine those of Transportation Minister Chong Chae-sok and 36 others who were newly promoted to grade one or have retired since August.

Examinations of some 30 diplomats on overseas assignment will continue until mid-December as their explanations of their financial statements have not yet arrived.

Senior Government Officials Warned

SK0712133393 Seoul YONHAP in English 1059 GMT 7 Dec 93

[Text] Seoul, Dec. 7 (YONHAP)—The Administration Ethics Committee on Tuesday served warnings to four senior government officials for unfaithful declaration of their properties and told them to take remedial steps. The committee also ordered 14 others to supplement their assets declaration after some omissions were found in their statements

On completion of an extensive review of the assets declaration made by 710 grade one and higher officials, Committee Chairman Yi Yong-tok told reporters the review was made with emphasis on faithfulness in one's assets declaration rather than on the amounts of assets or assets forming process. The four officials warned were found to have omitted some of their assets deliberately. "However, as their cases were determined to be minor, we only gave them warnings," he said.

The 14 others who were told to supplement their declarations were those who omitted some of their properties inadvertently, he said. No minister- or vice-minister-level officials were among the 18 officials, Yi said. He said the review of the statements of about 30 senior diplomats on overseas duties whose explanations are yet to reach his committee, will be completed by the end of this month.

"We will make public the outcome of the review upon its completion," Yi said.

Provincial Officials Face Action

SK0712135893 Seoul YONHAP in English 1204 GMT 7 Dec 93

[Text] Seoul, Dec. 7 (YONHAP)—A total of 173 senior provincial officials will face disciplinary actions in connection with their assets, the Home Affairs Ministry reported on Tuesday. Seventy-four of them will be removed from the officialdom, who include 37 mayors, county commissioners and ward chiefs, the Ministry said. The 173 are among the 3,028 grades two-four provincial officials who made their assets declaration last September. But, those to be disciplined do not include Seoul city officials as the review of the declared properties of about 600 similar-grade Seoul city officials is yet to be completed.

As soon as actions against the 173 officials are completed, the Home Ministry would turn to the cases of lower-grade officials as part of the policy to renovate the organization of local administrations by next January, a ministry official said.

Assembly Passes Budget, Rice Purchase, Other Bills

SK0812032693 Seoul YONHAP in English 0252 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—The National Assembly approved a budget of 43,250 billion won (53.46 billion U.S. dollars) for next year and passed 24 minor bills related to the budget and an amendment to the law on National Security Planning (NSP) in plenary session Tuesday night.

The ruling and opposition parties concluded negotiations on the revision of the NSP law and the bill for the state purchase of rice to end a six-day suspension of parliamentary activity.

Lawmakers on both sides of the aisle unanimously approved the revision of the NSP law and rice purchase bill, but the main opposition Democratic Party opposed the budget bill and there was a vote.

With the budget bill passed, the parties resumed negotiations on politics-related bills, including the election law, law for political funds and local autonomy law, and began to forge measures in preparation for the opening of the rice market.

Floor leaders of the ruling and opposition parties agreed to jointly cope with rice market opening by forming a committee.

Under the revised NSP law, the right of the intelligence agency to investigate remains intact concerning acts defined as crimes by the criminal code, military penal code and military secrets protection law and leakage of classified military information.

But the amendment removes failure to report a crime or to turn in someone who verbally praises or encourages North Korea, acts currently illegal under the National Security Law, from the domain of the NSP's investigative right. The NSP's right to investigate the acts of praising North Korea through forming organizations or through printed materials will stay in force for a year before being eliminated.

The National Assembly will establish a committee that has the right to inspect the NSP's budget and activities.

NSP security inspections of government offices were ended and a provision was installed to punish those NSP officials who abuse their investigative right.

The state rice purchase bill lifts the price 5 percent from last year and increases the amount to 10 million sok from the 9.6 million sok proposed by the ruling party (one sok is 144 kilograms.) One hundred billion won from this year's surplus revenue will be alloted to the grain management fund to pay for the extra purchases.

The plenary session, which adjourned after passing the bills Tuesday, is to be reconvened Dec. 16-18 to deliberate other pending bills.

Government To Purchase Radar Intelligence Planes

SK0812031693 Seoul YONHAP in English 0306 GMT 8 Dec 93

[Text] Washington, Dec. 8 (YONHAP)—South Korea plans to purchase a specially tailored fleet of eight electronic eavesdropping and radar intelligence aircraft, according to the latest issue of the U.S. magazine DEFENSE NEWS.

A Seoul-datelined story cites a U.S. industry official as saying the program, known as the Korean air reconnaissance system and the airborne remote control signals intelligence system, is worth up to 1 billion U.S. dollars.

Korean and U.S. sources said the system will satisfy a South Korean goal—reaffirmed in a 1993-94 defense white paper published this month by the Defense Ministry—for improved self-sufficiency on the battlefield.

The winner of the Korean program will win a leading place in airborne intelligence programs now being considered by other Asian countries, including Taiwan, Japan and Malaysia.

South Korean Government defense officials refused to comment but referred to a white paper, a net assessment of regional threats and national capabilities, that calls for establishing South Korea's own strategic early earning system by the late 1990s.

Western government and industry sources said approved plans call for the purchase of a fleet of eight aircraft by late 1994, four of which will be tailored to collect signal intelligence and another four equipped with a synthetic aperture radar to collect radar pictures. In operation, the intelligence data will be reviewed at computerized facilities in South Korea.

Five companies from four nations have submitted proposals for the electronic package, and government and industry sources said a winner should be selected by late winter or early spring, according to the magazine.

Trade Ministry Reports Rapid Rise in New Markets

SK0812061693 Seoul YONHAP in English 0518 GMT 8 Dec 93

[Text] Seoul, Dec. 8 (YONHAP)—Exports to the six new markets of China, India, Pakistan, Vietnam, Brazil and Eastern Europe are rising rapidly, the Trade, Industry and Energy Ministry said Wednesday.

January-October exports to the six areas were 4.15 billion U.S. dollars above the same period last year while total exports rose just 3.94 billion dollars.

Exports to India rose 351.4 percent to 1.29 billion dollars, to Brazil, 203 percent to 370 million dollars, to Eastern Europe, 170.1 percent to 910 million dollars, to China, 106.9 percent to 4.07 billion dollars, to Vietnam, 82.9 percent to 600 million dollars, and to Pakistan, 39.3 percent to 400 million dollars.

Exports to the United States, Japan and the European Community fell 720 million dollars to 34.81 billion dollars in the same 10 months.

Exports to the United States rose 0.3 percent to 15.06 billion dollars, while exports to Japan and the EC dropped by 240 million dollars and 110 million dollars, respectively.

Southwestern Asian countries like India, Myanmar [Burma] and Pakistan are rapidly becoming prosperous, and export growth in the area is compensating for dull exports to advanced areas, Hong Kong and members of the Association of Southeast Asian Nations, ministry officials said.

* Unification Minister Han Wan-sang Interviewed

942C0019A Seoul MAL in Korean Oct 93 pp 64-70

[By reporter Cho Yu-sik]

[Text] Some say that Han Wan-sang, the "progressive" deputy prime minister and minister of the National Unification Board [NUB], is slowly shifting to the right. Han, who since his first days as NUB minister had endured, all by himself, the barrage of cross fire from conservative media and bureaucrats over returning Yi In-mo to North Korea and nationalistic remarks he made, has after all, they say, abandoned his progressive stand and launched Operation Big Swing toward conservatism. On the other hand, others say that he "began having his feeling of the realities." According to them, the deputy prime minister has finally found a "feeling" of it and got on with more realistic policies.

At the moment, there is no telling which of the observations is true. It remains to be seen whether his Operation Big Swing will prove to be a superb practice of the "stratagem of detour" in the Sunzi Tactics, demonstrating that the longest way about is the shortest way home, or it will be tossed about by the high waves in the sea of conservatism and end up as a drop in the ocean.

The shift in the stand of Deputy Prime Minister Han is seen in such facts as that he virtually stopped making the kind of unequivocal comments about his views as he made after taking office, that he became visibly cautious in his speech and action, and that his attitude is significantly conciliatory toward the pro-Cold War debate which he was wary of and which he criticized so vehemently. Needless to say, the change is of the type that bounds in an unpredictably big angle like a rugby ball but a subtle one in a small angle describing an extended parabola. It could, therefore, appear a minor change sometimes. The subtle change, however, is not an innocent one brought on by a combination of a variety of coincidental factors; it is a change the deputy prime minister has been making, deliberately. It is noteworthy 100 percent, therefore.

The following interview with Han Wan-sang conducted in his office on 9 September clearly shows his own awareness of the change.

[Cho Yu-sik] Recent reports have it that the NUB is gradually establishing its position as the pivot of national reunification policy. Buried in the relatively positive ratings of it, however, is the thorny criticism that the NUB is "losing its progressive color in the face of the conservative hard-liner offensive." Don't you feel that while being pushed by conservative voices, you have shifted in your view on the unification issue more or less toward conservatism?

[Han Wan-sang] "Let me make two points to answer your question. First, my friends who know me better are very happy at those reports. In a way, they are welcome reports, for they help me accomplish my purpose more effectively. The other point is that I, as a person whose responsibility is to improve North-South relations, always think about three things—first, the people in the South; second, the Pyongyang authorities and the people in the North, and lastly and more importantly, how history will see myself today. I mean to say that I have fear for history's judgement. The people living in the

South today and the authorities of the North may change or be replaced or even die. But history's judgement does not change so easily. Villard's misjudgment was indeed caused by his being oversensitive to the public opinion, but history has proved that it was a misjudgment. Let me assure you that my unchanging position is that I am faithful to what does not change."

Han's position seems to be that he will quietly do his job while avoiding unnecessary friction with bureaucrats over his "progressive color." In fact, observers say that he unnecessarily made many enemies even before he got on with his job in earnest, all because of a few remarks he made. Perhaps for that reason, he is now far more cautious when commenting on sensitive subjects. It looks like a case of "adapting his speech to the audience." However, if he should go too far in that direction, the result could be that he may indeed find himself with less friction but failing at the same time to say what he should say and do what he should do. So, this reporter asked a few questions to find out more about his true thought.

[Cho] In a 15 August MBC TV dialogue program, the mediator put this question to you: "North Korea's plan for a confederal republic envisions one central government, which precludes a UN intervention even in the event of civil war. So, it could be a scheme an armed invasion or an internal collapse of South Korea. Is it not the reason North Korea persists in the plan?" You responded: "It could be, if it were to be adopted. To prevent that possibility, too, we proposed a North-South coalition period with the focus on the independence of the respective authorities." Do you really think that there will be the possibility of North Korea invading the South in a confederal republic? Rather, don't you think that you should have made a different response, a response that could dispel such an exaggerated fear?

[Han] "When I was asked that question, I felt myself that it was a strange one. If friction should occur between the two regional governments under confederal system, it is indeed a domestic affair and it would be impossible for the UN to intervene. This could give rise to the fear that one side or the other would be defeated should a civil war occur under that condition. I believe that the question came from that fear. I do recognize the possibility but not as a practical one."

[Cho] In your statement dated 13 August concerning a pan-national congress, you said that "any attempt at contact or reunification negotiation with North Korea in disregard of the law and order shall be dealt with firmly." By the law and order, you must have pointed to the National Security Law. Meanwhile, in a column you wrote under the title "For the Hope of the Seed Grain" when the National Assembly was passing the revised National Security Law," you took a negative view of it by saying that "the revised versions of the National Security Law and the Agency for National Security Planning [ANSP] Law contain elements that are more Cold War-oriented than the ones proposed by the opposition in the past when the ruling party was a minority in the National Assembly." Has there been a change in your view of the National Security law since then?

[Han] "Only when the Cold War is brought to an end on the Korean Peninsula can we make a successful start in the 21st century. Also, now that the whole world but the Korean Peninsula has come out of the Cold War era, it is a historic task to dismantle institutions of the Cold War on the Korean Peninsula. There has been no change in my view on these points. What I said in that statement concerning a pan-national congress was a clarification of what had been decided at a meeting of cabinet members concerned. Once the judicial authorities decide on a group or activity that it is illegal or serving the interest of the enemy, other departments of the government cannot take a stand significantly removed from that decision. It is a matter of common sense. Under the authoritarian government in the past, we indeed saw the National Security Law misused for specific political purposes, but there will be no such thing in the future. As North-South relations improve, it will become possible to address problems concerning the Cold War-oriented law and order through a Joint Committee on Reconciliation in the stage of North-South exchange and cooperation; when the coalition stage arrives, the North and the South can work together to legacies of the Cold War era. In order for all these things to be carried out sooner, I am hoping for an early settlement on the North Korean nuclear issue."

[Cho] Has the NUB ever held discussions with other departments of the government with its own alternatives on such issues as a suspension of the Team Spirit exercise, a U.S. troop withdrawal schedule and economic cooperation with the North to create a favorable climate for unification? Or is it preparing or making plans for such discussions? (At this point, the interviewee was reminded of a column titled "To President Bush" which he wrote when he was a professor at Seoul National University. In it, he said that "the Korean Peninsula is one of the most heavily-armed danger spots in the world. Keying up the tension there through large-scale military maneuvers like the Team Spirit exercise or an arms race will endanger the world peace.")

[Han] "The Team Spirit exercise, economic cooperation with the North, and the U.S. troops in Korea—those are all important and sensitive issues. On them, no individual departments of the government are allowed to pursue separate policy lines. Be it the Ministry of Foreign Affairs, the NUB or any other departments, they are in no position to come up with, and voice, a separate, independent view. They are required to coordinate with all agencies concerned before publicly taking their stands. But I can at least answer your question this way: The 10 March North Korean announcement of its withdrawal from the NPT [Nuclear Non- Proliferation Treaty] keyed up the tension between North and South Korea, restraining North Korea-U.S. relations, too, and the UN became increasingly critical of North Korea. In this climate, the Team Spirit exercise and economic cooperation issues were reviewed. In other words, if North Korea should cooperate to settle the nuclear issue once and for all and open up its nuclear facilities for international inspections, the economic cooperation issue, especially, can be resolved very easily. The Team Spirit exercise issue can also be reconsidered in a flexible manner in conjunction with the settlement on the nuclear issue. The U.S. troop withdrawal issue is a bit more sensitive question. In order to create a climate conducive to a free exchange of views on these important issues and to materialize economic cooperation needed by North Korea, North Korea should cooperate to resolve the nuclear issue once and for all on both levels, national and international. Then, North-South relations will improve in every aspect."

On the day when the proposed North-South exchange of special envoys—which Han Wan-sang had pushed tenaciously in defiance of the considerable opposition inside and outside the government—encountered unexpected difficulty because of Pyongyang's strong demand for the "suspension of the Team Spirit exercise" and "scrapping of a consortium plan for North Korea," the deputy prime minister had a dream of one of his favorite pupils dying. That prompted him to call another pupil a few days later, who during the conversation asked Han, "How are you doing these days?" Han answered, "It feels like I am worrying myself to a frazzle about my job."

Needless to say, it is nothing unusual for a cabinet member dedicated to state affairs to exert his mind so much that he feels like he is worrying himself to a frazzle. In Han's case, however, there is a unique aspect to it that no other members of the present cabinet have nor cabinet members of the successive cabinets ever had.

Han Wan-sang is a different type of man, different from those who had filled ministerial posts in the past. The fact that such a stanch Cold War opponent became a cabinet member in Korea, the only spot still left in the Cold War, may perhaps be seen—from the trends of the times—as a natural development, but from the viewpoint of the real dynamics of power in Korea, it is extremely unusual. Consequently, among the traditional elites of the ruling class in the country, there are many who dislike him.

First, Han experienced considerable difficulties in "winning over" conservative NUB bureaucrats to his side. One of the executives said: "In the early days, bureaucrats and the minister did not necessarily get along too well with each other. The minister is a liberal while the bureaucrats are, in fact, conservative, aren't they? When told to do something, they would do it—but not in a positive manner, though. Also, when discussing business with officials of other departments, they wouldn't take a firm, assertive stance but be evasive and easy going, excusing themselves by saying that "I don't know but the minister said so." The atmosphere has changed considerably, however, since the 7 August shakeup in which five vice minister-level officials were reassigned. Officials with relatively better understanding of the deputy prime minister were put in the right posts, revitalizing the NUB organizationally to such an extent that people would now say "the personnel thing is everything after all."

Meanwhile, if Deputy Prime Minister Han is to carry through his unique anti-Cold War doctrine, the doctrine of reconciliation and cooperation, he has to scale some high mountains in front of him. And the ANSP can be one of the highest mountains for him to scale. If a little exaggeration is allowed, it was not too much of a derision to say that the NUB in the past was the ANSP's affiliated or auxiliary organization. Most of the NUB ministers in the past saw interferences by the ANSP as their fate. Han Wan-sang, however, has been striving for enhancement of the NUB's prestige, taking advantage of the "civilian government era" wind. Needless to say, he is not satisfied with the result so far yet. An NUB official said: "The NUB has not yet become the 'locomotive of unification policy' which it should be. It cannot be said that it has fully gained the status due to it. But the atmosphere has changed. No other departments can afford to make a decision without letting the NUB know about it any longer." "The Human Chain Rally event held in August is a good example. It was carried out successfully even though there was some opposition within the government," he added.

[Cho] You seemed to be determined for the NUB's independence from the ANSP when you said after you took office that "I am convinced that the NUB and the ANSP can closely cooperate. There is one thing clear in this respect and it is that the NUB is out-and-out the locomotive of unification policy." However, as seen in the fact that a North Korea Strategy Planning Bureau was created within the ANSP, and that the NUB is still required to clear with the ANSP on matters dealing with exchange and cooperation, the NUB is unable to shake off the shadow of the ANSP. Even if the NUB says yes, it does not count if the ANSP says no, does it? What is your view on this point?

[Han] Although the ANSP-NUB relationship in the past was indeed more or less removed from what it should be, it is not necessarily the same now. When we sent the chairman of the Seoul National University (SNU) General Students Association to a North-South Korean academic seminar in Berkeley in April, it was done by the NUB decision. We will of course respect the views of agencies concerned; more importantly, however, the NUB will select and send people if it decides that sending them is in the interest of the national prestige and contributes positively to North-South relations. I can say the same thing about the recently held Human Chain Rally. It considerably distorts the fact to say that the NUB is subject to a certain agency in everything. Therefore, in connection with North-South exchange and cooperation programs, it is always the NUB that makes decisions, although it coordinates the views of agencies concerned before that. Some allege that the North Korea Strategy Planning Bureau created within the ANSP might be above the NUB, but the fact is that it was created within the ANSP for a more effective conduct of its North Korea operations, not above the NUB."

[Cho] Is it not true that the NUB has a limit to its independence because of the ANSP monopoly of intelligence? Rumors have it that since you took office, you have been shocked daily at realities in North Korea which you read about in intelligence reports from the ANSP. Has there been any such reports that were so shocking that you personally felt the need to change your view of North Korea or the unification issue? Some charge that you are unfamiliar with the realities in North Korea. What is your self-appraisal on this point?

[Han] "I am rather shocked now to hear about those rumors. Information obtained by the NUB could be more or less limited compared with the ANSP intelligence. Essentially, however, there is no difference. We have our information on developments in North Korea, some obtained mechanically and others through people. There are many intelligence reports, too. In respect to what we get through people or to NUB intelligence reports, you cannot say that the NUB is behind other agencies in terms of volume and quality. Since the NUB is the primary office granting authorization for meetings held in a third country with North Korean people for the purpose of arranging direct North-South trade, it has substantially large accumulations of information obtained through people as well as intelligence reports concerning North Korea. So, it is impossible that we don't know about North Korea. Everyday I receive reports from the NUB intelligence analysis room. The rumors that I was shocked every time I received new reports from the ANSP are totally unfounded."

If there is one thing consistent between Han Wan-sang's words and writings in his scholar days and those since he became the NUB minister, it is the point he has been making that North and South Korea should outgrow the monochrome logic of the Cold War era, reconcile and cooperate with each other while recognizing the difference between them. His theory of unification is based on his view of times like this. Several years ago, when the North-South talks on a sports exchange plan broke down, he wrote in a column that "those who shot down the bilateral talks are the Cold War advocates entrenched in the North and the South—the Stalinists of the ultra-left in the North and the ultra-rightist antidemocratic forces in the South." As seen in that article, Han is extremely critical of "Cold War advocates" regardless whether they are of the North or the South. The key point of his theory is that be it capitalism or socialism, neither side should run to an extreme denying the other but to cooperate with each other while recognizing the difference between them and, by doing so, coexist and coprosper. He maintains that it is possible for them to do so.

[Cho] In a dialogue with Pak Sung-tok, director of the North Korean Institute of the Chuche Ideology, in May 1991 in New York, you said that North and South Korea "should regard the difference between them not as the pretext of discrimination against, but rather as a basis of understanding for each other. Those unable to understand the difference between difference and discrimination will be discriminated against by history." Is a unification based on the recognition of difference with North Korea still your goal?

[Han] "Yes, it is. The Basic Agreement of North and South Korea states in Article 1, Chapter I, that the North and the South shall recognize each other's political system. Article 2 of the same chapter provides that they shall not interfere in each other's domestic affairs. And Article 3 stipulates that they shall not slander against or fling mud at each other. The Basic Agreement itself well reflects the same spirit as my discussion with Pak Sung-tok in New York. The discussion was held in the spirit of finding a way for North and South Korea to recognize the differences in ideology and political system and, on that basis, improve relations between them. In that spirit, we discussed coexistence and coprosperity, namely, the need for replacing the Cold War-style hostile confrontation with coexistence-type partnership. The North-South coalition stage, envisioned in the stage-by-stage approach of the new government's unification policy, is a stage in which both sides accelerate and maximize interchange and cooperation on the basis of respect for the autonomy of each other's government and system."

Then, what is Deputy Prime Minister Han's view of the North Korean confederal republic plan?

[Cho] You once said that "the proposed confederal republic of Koryo is not for unification but for perpetual division." Do you see a compromise or negotiation between the North Korean confederal republic plan and our three-stage and three-principle unification plan as impossible?

[Han] "What I meant by saying that the Koryo confederal republic plan is for a permanent division was that the final goal of a unified fatherland—a one-nation, one-state Korea—is missing in that plan. In that sense, I think that it is unjustifiable to adopt a unification plan focusing on what only amounts to a transitional phase. The confederal republic plan indeed respects the autonomy of the two systems but falls short in a few other aspects. It is realistically a difficult proposition to suddenly jump onto a confederal republic system at a time when the two sides cannot even solve the question of exchange or social cooperation. It is like giving regular food to a patient who still needs a special diet for the sick. So, it is doubtful whether the confederal republic plan has any feasibility under the present circumstances where the North-South ideological confrontation has become an institution and the distrust remains a structural feature."

Han thinks that the new government of South Korea and the NUB he leads are out to boldly improve relations with the North while pursuing the aggressive domestic reform programs. Nonetheless, there has been no change in the North Korean attitude. Pyongyang remains the same as it was toward the Seoul governments in the past. This makes Han sad.

[Han] "If there is one thing I feel sorry about the North Korean authorities, it is this: The South has changed tremendously, although some may not agree. In fact, it reviewed and reappraised such historical events in the past as the 12 December 1979 incident, the Peace Dam project, and the 16 May 1961 military coup while forging ahead with the reform programs. The North Korean authorities, however, are unwilling to recognize these realities. They seem to employ the same policies as in the past—the policy seeking to separate the government and the masses and the policy seeking to incapacitate the government. I wish they stopped practicing such policies. If they did, North-South relations would improve significantly. It really pains me to see them carrying on the same policies."

[Cho] Do you think that a collapse of North Korea from within is possible? You said that "the more I know about the critical situation in North Korea, the deeper becomes my agony." In that connection, what is your assessment of the economic difficulty and the political unrest of the North Korean society? Is it true that there was a food riot recently?

[Han] "Everybody knows about North Korea's economic difficulty. As to the degree of difficulty, reports available could be exaggerated or even false. With regard to the alleged food riot, I heard rumors on it but could not confirm them. Concerning its economic difficulty, however, I have some numbers. The growth target of the 1987-93 Third 7-Year Plan was 7.9 percent but the actual growth for the 1987-90 period was minus 1.3 percent and the that for last year was minus 7.6 percent. The 1992 food production fell 3.6 percent from the 1991 level to 4.27 million tons, a figure representing a shortage of approximately 2.3 million tons. The rates of operation are falling at factories and the energy crunch remains serious. We can imagine that the North Korean leadership is experiencing difficulties because of the economic crisis. The people in North Korea have lately begun having the relative sense of deprivation and the poverty consciousness which they did not have in the past. The relative consciousness of deprivation and poverty, when combined with the absolute poverty consciousness, could lead to a dreadful result. Since North Korea has been based on the out-and-out moralistic chuche ideology, the people have had little chances of feeling the relative sense of deprivation. Then came the traffic of peddlers from China, and through contacts with them, they—beginning with residents in the frontier regions—gradually developed the relative sense of deprivation and the absolute sense of poverty both at the same time."

It is an undeniable reality that the United States is exercising major influence in dealing with North-South relations. Consequently, it cannot but be a matter of concern how the NUB minister views the U.S. role.

[Cho] If the nuclear issue is resolved in the future, would it mean that all the stumbling blocks to a North-South summit have been removed? If the United States should, for instance, take issue with the human rights in North Korea and say that Washington would oppose a North-South summit unless the human rights issue is first resolved, how would you respond to it?

[Han] "A variety of North-South exchange and cooperation programs need to be launched first. Progress in these programs will cause Cold War institutions in North and South Korea to weaken or disintegrate, paving the way for a summit. It is a hypothetical question whether the United States will raise the human rights issue with North Korea at that time. I see no need to discuss it at this point of time."

[Cho] There was a report in March that the U.S. charge d'affaires in Korea had personally visited you in March to complain about your comment on the nuclear issue. Also, when differences developed between the NUB, the Ministry of Foreign Affairs, the ANSP, and the Chongwadae presidential secretaries over the North Korean proposal on the special envoy exchange issue, it was after all the United States that made the decision for a more positive response, in support of the view calling for a policy shift. What is your view of the United States continuing to exercise major influence over the dialogue with the North? Please recall the 22 June meeting of the ministers concerned in the office of the secretariat of the North-South dialogue, and the 21 June high-level strategic meeting. The sending of a letter to North Korea, originally scheduled for the morning of 22 June, had been put off three times because of the differences over the date and agenda of the proposed meeting when an urgent cable was received from Chong Chong-uk, the senior delegate who was visiting the United States, which said that Washington is for a positive response. It was only after that that the matter was resolved. My question concerns all these developments you experienced.

[Han] "It is the North Korean nuclear issue that has strained the relations between the United States and the international communities on one side and North Korea on the other. The North Korean nuclear issue is an internal issue of the Korean people and, at the same time, an international issue. It has become an issue between North Korea and the United States which seeks to keep North Korea in the framework of the NPT. As far as the nuclear issue is concerned, the international communities, the United States, and North and South Korea are all concerned about it. Therefore, it is not fair to say that any specific country is engaged in excessive interferences in another country's domestic affairs.

"The report that the U.S. charge d'affaires complained to me in March about the nuclear issue is totally unfounded. It is true that the U.S. charge d'affaires visited me and I paid my respects and we exchanged our views on a linkage between the nuclear issue and economic cooperation. There was a discussion on the size of possible economic cooperation linked to the nuclear issue. It is unfounded, however, that he complained about my position and comments at the time. False stories circulated through media like a ghost.

"I can say this much, however. The United States takes a more flexible position toward the dialogue with North Korea than the general public thinks—a considerably flexible and realistic position rather than a rigid, hardline position. Consequently, some hard-liners are critical of the U.S. position, viewing it as going too far with concessions to North Korea. I don't see their assessment as fair."

[Cho] You are viewed as "nationalist" and at the same time as "pro-American." How do you see the conflicting appraisals yourself?

[Han] "I reject nationalism that is expansionist or is used as an ideology of domestic rule. But I highly appreciate the devotion to their country and people shown by our patriotic forefathers. I can be called a nationalist in the sense that I cherish the prosperity, independence, and peace of our nation."

"More accurately, I am a person knowledgeable about the United States who is endeavoring to know better about it. While looking through the contradictions and injustices of the American society with a critical eye, I do value positively the puritanical, healthy elements which are at the root of the American culture."

Han Wan-sang's view of the United States changed as times changed, and as he gained experience. He returned from study in the United States in 1970, and from that time through his departure again for the United States for a temporary asylum in 1981—after an imprisonment by the new military leadership—he had a positive view of the American way of liberalism and rationalism. Then after witnessing the naked national egoism of the Reagan-era America, he wrote in a column in 1985, showing a shift in his view. He wrote:

"Dear R: Forty years of a one-sided love seems to be enough for this country to get wiser. It is time to come out of it, take an equal position and establish a dignified relationship with the United States as an ally ... One-sided love is not a matter for forgiveness. It is a disgrace, a miserable disgrace. Why? Because it is we who made the first mistake. It seems that the time has come to shed the 40 years of shame that was not just miserable but horrible."

However, it appears that his view has undergone a slight change again of late. The United States assumed a position even more flexible than the conservatives in the country in the negotiations with North Korea over the nuclear issue, a fact which led to a situation strengthening Deputy Prime Minister Han's position. Especially, when James Rainey, president of Emory University, who is one of Han's closest friends and who, according to Han, "surely embodies the spirit of the post-Cold War era," takes office as U.S. ambassador to Korea, it is possible that Han Wan-sang becomes a link in the post-Cold War new channel between Seoul and Washington.

Han refuses to serve as an officiator at a wedding held in a commercial hall. The reason: "I cannot allow myself to help degrade a solemn, holy opportunity such as a wedding to the level of a shallow commercial transaction." In a wedding in which he officiates, the bride and bridegroom are required to enter the ceremony hall hand in hand because, in his philosophy, the bride is not a subordinate "female" about to be transferred by one male master to another male master but a "human" to be treated with love and equality. Also, at a wedding in which he officiates, the bride and bridegroom are expected to read a prepared "pledge of love" in a firm, steady voice to the well-wishers present, instead of the "Yes, I do" answer they give in a faint voice when asked "Do you love this person all your life?" at a conventional-style ceremony. Unless the bridal pair accepts these conditions, he will not agree to officiate.

Han's church, the Saegil Hyondae Church in Kangnam, is known for being liberal. It has no such distinction as elder or deacon but everyone is called brother or sister. Lay believers would even deliver sermons from time to time. A major portion of its financial expenditure is earmarked for helping the poor. Han routinely meets "progressive personages" there, listening to them to know about the public opinion.

Han Wan-sang aspires to reform. That draws a distinct line between him and the conservatives. He is well aware of the times, however, knowing that "a revolution from below"—which he says means a proletarian revolution—is no longer possible. He maintains that now is the time for "reform from above" and a good time for it, a fact which puts him apart from opposition personages, too.

As a scholar, Prof. Han Wan-sang pursues humanism in sociology. He says:

"Learning that cannot contribute to humanization has no place in human society. Only when it contributes to greater freedom, justice and peace of human society can its existence be justified and its fitness proved. Sociology should never be used as a means to find any practical technique or theoretical formula instrumental to deprivation or discriminating against fellowmen. It should instead contribute to creating environments ensuring a decent life and a life with dignity. This precisely means humanized sociology, the humanism in sociology."

Han Wan-sang was dismissed twice and arrested and imprisoned six times in the Yusin era and the Fifth Republic days. It remains to be seen whether his endeavor for a "more humane society" will have its day and come into full bloom or it will simply fade away, unnoticed, like a flower that came out in a wrong season. There is no telling either whether his change signifies a one-step retreat to prepare for a two-step advance, based on a carefully thought-out plan, or whether it is an unconditional retreat with no plans at all. One thing is clear, though, and it is that the dark Cold War era is virtually gone and that the Korean Peninsula is on the threshold of a new era of coexistence and coprosperity. Needless to say, crossing the threshold is a difficult task indeed. But, for whatever, the responsibility can no longer be shifted onto the times. It is pinned on the people living the history of the times. The times has done its part. Now it is man's turn to do his part.

* North Critical of Kim Yong-sam's Government

942C0009 Seoul HANGYORE SINMUN in Korean 5 Oct 93 p 8

[Text] North Korea, disappointed at Kim Young-sam's government, resumes abuse.

Nuclear policy towards the North may be the cause—Pursuing economic cooperation and coexistence expected later.

As of a little more than seven months after the start of Kim Young-sam's government, in what way will North Korea look at South Korea's government?

After "the civil government" began, will there be any change in North Korea, which has up to this point harshly been denouncing the past governments of South Korea as military fascists?

It can be said that there are two sides to North Korea's view and attitude toward South Korea's government. One side is to propagate and instigate people through its state-run mass media such as broadcasting, newspapers, etc., and the other side is to actually carry out policies on the basis of concrete measures.

The two sides coincide with each other for the most part, but not always. Its views toward South Korea on the whole depend upon North-South talks and relations. Considering these situations, their views toward the South are extremely negative. This can be seen in the fact that since the new government started, not even one contact between North and South Korea was made.

North Korea, having made trouble with South Korea's government because of nuclear policy since the beginning of the year, resumed abusing South Korea on a full scale, as the Fourth Pan-Korean Mass Meeting failed to go off due to South's rejection last August.

RODONG SHINMUN, in a newspaper serial entitled "Non-Civil Government," severely criticized everything about South Korea, including its policies toward North Korea, the unification policies, etc. saying in insulting words that the current government constituents are quite the same bastards as those of the Fifth and the Sixth Republics.

Since around this time, North Korea began to denounce "anti-national elements or anti-unification elements," also criticizing the unification plan of South Korea. North Korea emphasized that "the unification plan of the new government was essentially to delay the unification, to inspire the split of the nation, and to aim at unification by defeating communism," and that "one nation-one country theory of the Three Stage Unification Plan was impossible to realize because it is based on the assumption that one of the North and South systems must be eliminated."

In addition, it pointed out that the South depended on foreign power—U.S. troops stationed in South Korea—Team Spirit Military Exercise, National Security Law of the South, etc. North Korea emphasized that "the title of civil government was essentially nothing but a hoodwink."

Such propaganda reflects the current North-South relations being at a stalemate. Although North Korea has consistently been abusing the South, it is inwardly making a significant change in its diplomatic course to the pursuit of material interests as is revealed in its attempts to improve relations with the United States and Japan, etc.

It appears clear that North Korea is also earnestly hoping for economic cooperation with the South and is exploring ways towards coexistence with the South. Such intention on the part of the North is revealed in the fact that the North fears that the unification plan of the South is one which absorbs the North.

Judging from these facts, it seems that for about six months starting from the beginning of this year, the North in its own way, had a little hope from the South and tried to appease its existing hostile policies.

At the beginning of this year, North Korea dismissed its Secretary of South Korea Operations Yun Ki-pok, a hardliner who had served in the field for a long time, and appointed to the post of Secretary of Foreign Affairs of Korean Workers' Party Kim Yong-sam, known as a diplomatic expert who takes a serious view of negotiations.

President Kim Il-sung, in his annual New Year Address, refrained from calling for anti-government strife, including withdrawal of U.S troops stationed in the South, which in the past has always been called for, and intimated his intention to talk with the new government in the South, saying that "if anyone takes an independent and sincere attitude, I will meet and talk with that person regardless of his past career."

Afterward, President Kim Yong-sam, in his inaugural address in February, intimated appeasement toward the North, saying that "no ally is more intimate than his compatriots" and repatriated a non-convert, long-term prisoner Yi In-mo back to the North in March. The North seems to have felt a slight expectation that the new government in the South may be a little different from those in the past.

In April, North Korea, citing a "10-Point Plan For Whole National Grand Union," which was personally drawn up by President Kim Il-song, advocated a coexistence theory which "lets all of us reject invasion of the North and invasion of the South, the defeat of communism and communization of the South, and trust and unite," responding to the basis of the policies toward the North by the new South government, which took a serious view of national welfare.

Afterwards in May, the North also proposed exchange of special envoys between the North and the South, an epoch-making plan which can comprehensively settle many significant matters of the two nations.

The North became entirely frustrated by the conservative response in the South. In addition, President Kim's view of the North gradually stiffened as a result of the nuclear issue. Due to these factors, the North's policies toward the South, at least in appearance, seems to have returned to a position of denouncing the South, as in the past. In the beginning of July, President Kim, in his 100th Day since inauguration interview, made clear that "he would not shake hands with a person who had nuclear weapons."

The North openly denounced the South, saying that "in the Blue House plain-clothes fanatics of nuclear weapons took over military-uniformed fanatics of nuclear weapons."

Nevertheless the North does not deny that the current government in the South is a civil one. This can be seen in the fact that in the North, everyone uses the word "civil" in the same way as "wearing a mask of civil one" or "disguising as civil one" when denouncing the South.

Although the view of the North and access to the South have stiffened much due to the nuclear issue, it may be a passing phenomenon because it is pointed out that the North is also pursuing economic cooperation with foreign countries.

* Kim Yong-sam's Inner Circle's Vision Described

942C0021A Seoul WOLGAN CHUNGANG in Korean Oct 93 pp 148-157

[Article by reporter Kim Tu-u]

[Text] "President Kim seems to lack the statesmanship of planning ahead for the future of the country." "The president is too much obsessed with dealing with things of the past to present any vision of hope to the people." These criticisms are quite widespread. It seems inappropriate to brush aside them merely as disgruntled voices of the entrenched interests. A growing number of intellectuals and middle-class people tend to agree with these criticisms. Does President Kim Yong-sam really have no vision for the future? How long is he going to cling to investigating the past corruption? Will Korea end up plumping down at the entrance to the community of advanced nations?

Blue House officials categorically spurn these doubts. They claim that the Blue House has come out of the long dark tunnel by settling the unsettled issues carried over from the past and is now in the stage of formulating farsighted plans for the country. This atmosphere can be easily found in the moves of President Kim's close aides, particularly his four-man foreign policy brain trust, commonly known as the Gang of Four. The four are: Pak Kwan-yong, Blue House secretary general; Chong Chong-uk, senior secretary for foreign and security affairs; Han Wan-sang, deputy prime minister and concurrently minister of the Board of Unification; and Kim Tok, director of the Agency for National Security Planning [NSP].

What is President Kim's hidden strategy used in managing state affairs? When this question was raised, every member of the presidential staff kept mum. So, rephrasing my question, I asked: "President Kim does not even have a vision for unification appropriate to the age of ideological deemphasis. Is the president going to concentrate on domestic politics and nothing else until he finishes his five-year term?"

It took a lot of time to elicit an answer to this question. I omitted questions about domestic politics because in my judgment, there is no need to ask them. It is quite obvious that whatever plans for domestic politics the president may have in his mind, even his intimates would not know it. It is next to impossible for low-ranking players to anticipate the moves of the top-ranking master player of political game.

That being the case, I wanted to know just a bare outline of President Kim's ideas about issues regarding unification, international politics, and the world economy—the ideas that might enable us to draw a rough sketch of our future—instead of asking specific and concrete questions about how internal politics will develop one or two years ahead.

Through several contacts and after negotiations and compromises on the problem of anonymity, I was able to hear the views of President Kim and his aides on the unification issue and their Northeast Asian policy. These views were given only after I promised to pay the utmost attention to avoid writing anything provocative to countries concerned.

After meeting separately with senior officials of the Blue House, the NSP, the National Unification Board, the Foreign Ministry, and the Economic Planning Board [EPB], I realized that these officials are reaching a consensus in considerable areas. They consider it almost certain that during President Kim's term in office there will be an important change in the relationship between North and South Korea. They also share the common perception that we have a better opportunity to improve our relations with the three major Northeast Asian powers, namely, China, Japan, and Russia, than at any time since the last days of the Yi dynasty.

By finding out the common denominator of the opinions of these officials, I could read a sea change in the minds of the bureaucrats. The idea of realizing a loose commonwealth between North and South by 1995 or 1997 and recovering the old territories of Koguryo and Palhae gave me a refreshing shock. The story about becoming a permanent member of the UN Security Council [UNSC] was enough to make my heart palpitate.

The Sixth Republic advocated Northern Policy as the centerpiece of its foreign policy. Upon returning home from his six-month stay in England, former DP President Kim Tae-chung announced his three-stage unification formula and has been busy making rounds of universities delivering lectures on this theme. Under these circumstances, if President Kim had no opinion of his own, he could not but be an object of criticism.

Therefore it may be surmised that an intangible pressure is being applied to the following officials: Blue House secretary general Pak Kwan-yong, who chaired the National Assembly special committee on unification in the days of the Reunification Democratic Party [RDP]; Chong Chong-uk, Blue House senior secretary for foreign and security affairs, who assists President Kim on unification, foreign, and security affairs; Han Wan-sang, deputy prime minister and minister of national unification; and NSP Director Kim Tok, who is in charge of collecting information on North Korea and foreign relations. These officials are said to brief President Kim on their plans and opinions at their one-on-one meetings with him.

Recently these officials have been fine-tuning their views by coordinating with each other, instead of stopping at presenting their isolated opinions. Each of them form his own separate team to study issues. According to sources close to President Kim, the results of their separate studies will be synthesized soon and a consolidated report will be presented to him after a review.

However, even when President Kim receives and adopts their recommendations, the report would not be made public right away because of the nature of the document—the moment it were announced, the plans contained in it would become a dead letter. The contents of the report will be so delicate that they would be bound to provoke a sensitive reaction from the countries around the Korean Peninsula if made public.

The strategy contained in this report will be decided upon. However, the decision would not be made public and remain "secret" during President Kim's tenure and probably beyond. Therefore it is meaningful to know what the officials in charge of foreign and security affairs are reporting to President Kim, as well as the substance of their studies.

Recently, the suggestions of these officials have prompted President Kim to make "studies" on them. This makes it clear that their basic views will become the underpinnings of President Kim's decision in the process of adopting his policy toward North Korea and his foreign policy in the future.

Let us begin by examining the views of the aforementioned officials on the unification issue. The striking difference from the policies of the Fifth and Sixth Republics is that in their opinion, "unification should never take the form of absorption by the South." In the days of the Sixth Republic when the Northern Policy reached its climax, the government did advocate a similar position. But in those days even the government was divided inside over this stand, and the public regarded the enunciation of such policy as a mere appeasement tactic not to provoke North Korea.

But now government authorities are unanimous in opposing the formula of unification by absorption. This stand is shared by President Kim, the Blue House staff, the Cabinet, and the NSP. All of them fear in earnest that "if the contingency of unifying the country by absorbing North Korea should become reality, the North and South might perish together." Kim Tae-chung expressed the same view in this regard.

This is to say that these officials have learned a historical lesson from the enormous price West Germany has been paying for the unification it has achieved by absorbing East Germany. Aware of the aforementioned fear, I asked: "What are you going to do when North Korea crumbles internally? When you say that there will be no unification by absorption, are you not trying to avoid provoking North Korea?" I cannot identify the interviewees because of my promise to them. But they are unanimous in pointing out: "The current South Korean economic power is not strong enough to back up unification economically should North Korea collapse soon."

To know the basis for this perception, I asked the question: To what level does the government plan to bring North-South relations during President Kim's term in office? In the course of developing into this problem, I was able to clearly confirm President Kim's plan conceived in his mind.

President Kim has long maintained the idea of realizing a "North-South commonwealth" by 1995, or by the end of his term at the latest. In other words, his goal is to achieve "peaceful coexistence" through reconciliation and cooperation and thereupon move into a commonwealth of North and South. This is President Kim's blueprint for national unification.

The blueprint boils down to this: When a framework of peaceful unification is put in place, efforts must be made to remove antagonisms while institutionalizing exchanges and cooperation; and as essential requirement for this goal, North and South must carry out economic exchange, and at the same time, there must be tangible social and cultural cooperation as provided for by the North-South Basic Agreement. According to officials concerned, underlying this strategy is the perception that "a radical change in North Korea is not desirable for peace and security on the Korean Peninsula."

It is the position of the Kim Yong-sam Administration that "Change in the North Korean establishment is inevitable, but until North Korea gets into this eventuality, we must prevent a military crisis in North Korea." This is to say that our government would like to see a controlled change in North Korea.

Our government officials feel frustrated because despite their forward- looking views, North-South relations remain entangled. The main reason is the suspicion on North Korea's nuclear development. From our government's position of realizing a North-South commonwealth by 1995, the issue of North Korea's nuclear development is a very negative factor. In the short run it will not only smother North-South relations but also throw the Korean Peninsula and all of Northeast Asia into a state of military insecurity.

Let us hear more about the opinions of the high-ranking officials on foreign and security affairs. In the opinion of our government, North Korea's desire to possess nuclear weapons will hasten its fall rather than help it maintain its rule. More immediately, it will give Japan—which is anxiously champing at becominge a military power commensurate with its economic might—an excuse to develop nuclear weapons and viewed in relation to China, which already possesses nuclear weapons, it will in all probability throw the whole of Northeast Asia into an unstable state of military confrontation.

If that should happen, the position of the Korean Peninsula would inevitably weaken in relation to Japan, China, Russia, and the United States. Therefore, the greatest problem in dealing with North Korea is how to prevent North Korea from developing nuclear weapons and help it with its reform and opening so that the North and South may move together into the stage of forming a commonwealth through North-South coexistence under the condition in which North Korea is not isolated.

Our government is resorting to various methods to resolve the issue of North Korea's nuclear development. On many occasions President Kim has made it clear that if North Korea abandons its nuclear weapons development program, the South will take epoch-making measures for economic cooperation with North Korea. According to our government sources, this position of our government will be conveyed more clearly to President Kim Il-song and Kim Chong-il if and when the proposed exchange of special envoies between North and South is realized. It may be because the Sixth Republic was criticized for its back-channel diplomacy, the present Administration has established no particular secret channel.

At the same time, as everyone knows our government is using all available international channels to make joint efforts to force North Korea to abandon its nuclear program. All these efforts are based on the assumption that to persuade North Korea to abandon its nuclear weapons development plan and induce it to develop its economy instead, is the way to minimize the cost of unification. For this reason our government has formulated the "strategy of transition" designed to inducing North Korea to follow a stable course of breaking away from socialism.

As pointed out earlier, what the unification policy planners in the inner circles of President Kim fear most is a sudden collapse of North Korea. They say that information on the situation inside North Korea, collected through all channels, indicate that such possibility is greater now than ever before. According to official sources, the current economic situation in North Korea is so bad, and the situation there is so terrible that our policy planners have to work out contingency plans to cope with any emergency that may arise in the process of transition to the Kim Chong-il rule.

First of all, even if Kim Il-song dies suddenly, the Kim Chong-il rule will be maintained for the time being. But the problem is, how long will it last? Kim Il-song has maintained his unique rule on the strength of his career in guerrilla warfare and his chuche ideology. But it is next to impossible for Kim Chong-il to cultivate a similar charisma. This is to say that in the Kim Chong-il era it will be impossible to force sacrifices upon the populace by the mere slogan, "Liberate South Korea."

The pent-up demands of the populace are expected to explode. If Kim Chong-il understands this state of affairs, he will have no alternative but to call for the qualitative improvement of the living condition of the North Korean people as his goal. In other words, the policy emphasis will shift from ideology to economics. This is a common phenomenon in the world history of power shift.

However, the problem is that the deformity of the power structure in North Korea has become conspicuous with the dictatorship of the Workers Party continuing for these 40 years or more. In North Korea the military was given the first and foremost priority in the government's investments. If Kim Chong-il tries to give priority to the economy, he will be confronted with a fierce opposition from the military, the entrenched interest group. The first generation of the anti-Japanese partisan fighters represented by Kim Il-song will come into conflict with the Mangyongdae generation represented by Kim Chong-il, and there is bound to be antagonism between these two generations.

According to the scenario depicted by our government analysts, when North Korea attaches priority to the economy, it will have to give preferential treatment to the bureaucrats and technocrats, and this is bound to stir up a tremendous reaction from the party and the military, which will be downgraded in relative importance. In the middle of this vortex, Kim Chong-il will most probably find himself mired in a leadership crisis.

Nevertheless it is difficult for North Korea to introduce a market economy in the economic domain while maintaining socialism in the political domain as in China. According to a prevailing analytic view, when Deng Xiaoping, the giant, dies, China will be thrown into confusion, and in the mid-long term it will see the change in which the central government's controlling power will diminish whereas the power of local governments will increase.

This is not to say that another period of Spring and Autumn and Warring States will come in which minority ethnic groups will become independent, but that the strong centralized form of government as we see it today will disappear.

However, according to experts, it will be difficult for North Korea to follow even the same course that China has been following. Because of the immensity of its geological size, China while pursuing the market economy, has reflected the bulk of the diverse demands of the local populace in its policy through the local governments. In North Korea with a small area, it is impossible to carry out even this kind of Chinese style reform.

Such being the case, it is highly unlikely that the Kim Chong-il regime in North Korea will be able to manage the internal changes that will come in the wake of Kim Il-song's death. Our government is studying various contingency measures. Our economy is not as large as the German economy. Even if we had enough economic strength, it could hardly be expected that the North Korean regime would disband itself of its own accord just as the East German government did. Accordingly, it is the basic perception of our government that North Korea's sudden collapse will be not only dangerous militarily but also immensely burdensome economically.

A Blue House source said, "It is not because we had no unification policy or unification formula that we have been unable to achieve unification." He added, "It is hardly necessary for our government to announce a new unification formula at his juncture." This is to say that what is more urgent than announcing a new unification formula is to work out "a plan for properly managing the process of unification."

At any rate President Kim's principle is "not to isolate North Korea" and his idea is to cooperate with North Korea so that it may join the multinational cooperation system in the Asia-Pacific region. He believes that this is the shortcut to ultimately realizing a North-South commonwealth before the expiration of his term.

This unification stand of the Kim Yong-sam Administration officials in charge of foreign and unification affairs is related to their Northeast Asian strategy. One of the characteristics of their unification policy is that they do not treat the unification issue simply as a matter confined to the parties concerned in North and South Korea but view it in relation to Japan, China, Russia, and other countries.

Nevertheless the unification stand of our officials does not represent a passive approach of waiting for "the green light" from our neighboring countries. It has a rather positive side to it in that the country will actively seek ways to advance into Northeast Asia and draw forth the unification of the North and South in its tail.

This is to say that our strategy is to expand our advance into China including the whole area of Northern Manchuria, and Russia. In a sense it may be taken as a plan for recovering the old territories of Koguryo and Palhae.

This is the kind of story that only a chauvinist or a secondary school student who just took up a history course might think of. That is why one cannot help but ask, "Is it really a practicable idea?"

The answer of the officials concerned was, "It is not entirely a pipe dream." They, however, noted that the strategy has a rough design for recovering the territories of Koguryo and Palhae, but asked me not to take it in a territorial sense.

In the last analysis the strategy conceived by the officials in President Kim's inner circles who are in charge of unification and foreign affairs is strongly tinged with the implication of "economic restoration."

As a matter of fact, Russia and China are great powers in terms of international politics. It is no longer possible to redraw borderlines with them. Raising such an issue would only cause a futile international dispute with no practical benefit. It could even endanger our very survival.

Any claim that those areas were part of our territory more than 1,000 years ago would incite nothing but ridicule in the international arena. It is quite clear that such a claim would end up depriving us of the position and role we enjoy in the Northeast Asian region now.

But China's northern Manchuria and Russia's Far Eastern region are the areas which these countries are anxious to develop even by introducing foreign capital, and which have the merit of having many things in common with us socially and culturally. These regions are inhabited by many Korean descendants, and this provides another favorable condition for us.

Our economic advance into these regions will have the effect of pressuring North Korea to open up to the outside world and reform its economy. Nothing has greater ripple effects than economy.

Accordingly, the kind of unification as conceived by the officials around President Kim is not an immediate territorial unification but an economic and functional unification.

The same kind of argument has long been made by experts on international politics and economists since the last days of the Sixth Republic. It is not an original idea of the new government.

Nevertheless studying an idea by academic circles is one thing and reflecting it in an actual policy is another thing. What attracts our attention is the fact that the high-ranking government authorities in the Kim Yong-sam Administration are gradually giving concrete shape to the idea in question.

Therefore, this background thinking is bound to ooze out in the process of formulating and executing our government's Northeast Asian policy and its policy toward North Korea. But this idea cannot be made public to the outside world because it would stir a sensitive reaction from the countries concerned.

The governments of China and Russia have gotten an inkling of our intention. The Cassandras in these countries have already begun to sound an alarm.

Fortunately, the winds of economic block formation which began to blow over the North American continent and Europe following the collapse of the bipolar structure dominated by the United States and the Soviet Union are stimulating the countries in Northeast Asia. A Northeast Asian economic integration is still far off, but this region has inexhaustible potential thanks to its vast resources and large population. Under these circumstances, China and Russia have made no move yet to hold us in check.

Historically, China, which led this region until the 19th century politically, socially, and culturally, has awoken from its dream and embarked upon restoring its initiative. Should it dawdle any longer, China would become unable to counter the budding hegemonism of Japan, which has emerged as an economic superpower.

That is why China has been actively participating in the Tumen River basin development project under the UN Development Programme [UNDP] and has settled its border dispute with Russia. It is China that drew our country into this project.

China was desperately trying to secure a port for a direct access to the Pacific. At the Sino-Russian summit meeting in December 1992, the two countries signed a formal joint venture agreement. China will be permitted to lease Zarbino [phonetic] Port for 70 years beginning in June 1994, when the Hunchun-Klaskino [phonetic] railroad construction project is scheduled to be completed. Zarbino Port is situated at the Russian end of this railway. The leasing of this port has something in common with the Russia's ages-long desire to secure an ice-free port in Northeast Asia.

As things stand now, China is not in a position to ignore Japan's immense capital and technology in developing its backward economy. On the other hand, it has to effectively counter the hegemonism of Japan, which is dreaming of becoming a political and military superpower. That is the dilemma in which China finds itself. That is why China is trying to use the ROK as a lever against Japan, and at the same time, make use of our experience in development and technology.

Chungang University Professor Kim Song-hun (industrial economics) said: "That is the reason why despite the absence of diplomatic relations, China was trying to draw South Korea into the Tumen River basin development plan under the UNDP and induce our firms to participate in the Sanjiang Plain development project, as well as the development projects on the Liadong Peninsula and in Shandong Province, Tianjin, and Shanghai."

Professor Kim also pointed out, "China has no particular prejudice against South Korea, which is not threatening as Japan is, and which possesses easily accessible capital and technology." "This," he added, "is the atmosphere prevailing inside and outside the Chinese government." According to him, China's East China Sea (Yellow Sea) coastal development program has something to do with our southwestern coastal development plan.

In the days of Gorbachev, Russia proclaimed itself to be an Asia-Pacific power through the Vladivostok declaration, among others. Later, in 1992 Russia opened Vladivostok Port, formerly a military off-limit area, and settled its border dispute with China. Russia eagerly wanted Japanese capital investments, but Japan dampened this hope by demanding the return of its four Northern Territories as a precondition. In the end Russia chose to bring in Chinese capital and labor in return for assisting China in finding access to the Pacific.

Needless to say, Chinese capital is far short of meeting the Russian requirements for developing Siberia and its Marine Province. However, with this option, Russia has set the stage for the development of that region; and when the Tumen River development project gets into high gear, it will pave the way for Russia's economic cooperation with Pacific countries, including South Korea.

Japan has been thus far passive about forming a Northeast Asian economic community. But now that it has converted Southeast Asia into its economic dependency, it has no choice but to turn its eyes toward Northeast Asia in order to expand its influence.

By using private enterprises as a spearhead, Japan has recently been trying to advance into the three Chinese northeastern provinces of Liaoning, Jilin, and Heilong, and Russia's Marine Province of Siberia. It is also casting an amorous glance at North Korea—which is thirsting for foreign capital—dangling economic cooperation as a bait.

Japan has also revealed its plan for an "economic zone surrounding the Japanese west coast" with the Niigata area as its center. This plan is in consonance with Japan's balanced national land development plan designed to expedite the development of its west coast which lags behind its east coast.

However, China and other countries have deep misgivings about this plan suspecting that it may be the revival of the "Greater Asia Co-prosperity Sphere Plan" of the past.

North Korea, driven into a tight corner by the fall of the Soviet Union and East Europe and China's shift to the market economy, has registered minus economic growth for 3 consecutive years. That is why it is trying hard to introduce foreign capital, but foreign countries are looking away because of its internal situation.

For fear of the kind of side effects of reform and opening as dramatized by the collapse of East Europe and the Tiananmen incident, North Korea is ready to go only so far as permitting the activities of foreign firms only on a limited scale.

As apparent from its readiness to open Najin and Sonbong Ports, the Mt. Kumgang development plan, and its participation in the Tumen River development plan, North Korea intends to open certain areas only. The North Korean leadership's fear for the collapse of the Establishment is beyond imagination.

A real problem will arise when North Korea is so obsessed with a sense of rivalry with South Korea that it will be lured by a "sweet temptation" from Japan. The government officials concerned point out that in this event North Korean could be reduced to another Japanese economic base just as Southeast Asian countries.

Particularly, it is clear as daylight that beginning in the latter part of the 1990's, America's influence in Northeast Asia will diminish whereas Japan will exercise growing influence. Therefore, how relations between North Korea and Japan will change is not a problem of North Korea alone. Our officials say it is a problem for the Korean nation as a whole.

At any rate it is clear that the hegemonism of a new strong China will emerge in Northeast Asia in addition to Japanese hegemonism. This is a factor that threatens our survival.

On the other hand, Japan and China provide us opportunities in the sense that either of them does not want to see the other grow stronger. In the eyes of China and Russia, we are still an easy rival.

This subtlety of the situation in the area around us gives us a much wider berth in playing the role of "a mediator" with regard to the Northeast Asian policies of China, Japan, the United States, and Russia. If we make the best use of this position, it is possible to create an atmosphere conducive to achieving national unification and founding a lasting peace on the Korean Peninsula.

Our government plans to make concentrated investments in China's three northeastern provinces and the Marine Provinces of Siberia. A high-ranking government source said, "The discussion on the details of investment plans is in the last stage." "However," he added, "this is not yet the time to make them public." Some say that the number of Koreans in the vast area encompassing northern Manchuria and the Marine Province of Siberia should be brought up to 1 million or so. In their judgment, only with that level of population will our country be able to join the ranks of advanced nations.

They also expect that our concentrated investments in those regions will have the effect of drawing overseas Koreans scattered in China and Russia into them.

But some point out that this kind of policy has the likelihood of inciting reactions from other nationalities and driving the Koreans into a tight corner.

Tanguk University Professor Kim Yu-nam said: "There was a rumor that at the ROK-USSR Cheju summit during the Sixth Republic, the two sides secretly agreed to a plan to establish a Korean puppet government in the Maritime Province by using Koreans residing there and in Central Asia and proceed to absorb North Korea into South Korea in return for ROK economic assistance to the Soviet Union." Professor Kim claims that "when the secret document was made public in Russia after the fall of Gorbachev, it caused an immense sensation inside Russia."

The Chinese government, while granting autonomy to ethnic minorities, deals sternly with any separatist move.

If the idea of our government goes against the grains of the Chinese government, it would have the adverse effect of destroying what our overseas compatriots have built until now from its very foundation. This can be easily surmised from the U.S. reaction to the fund-raising campaign for the Korean victims of the Los Angeles riot by Black people.

Officials around President Kim made it perfectly clear that "our idea is not something like the preposterous idea of founding an autonomous republic by inciting the 2.5 million Koreans residing in China and Russia." These officials explained that it is our government policy to bring up these Koreans as groups needed in their areas and recognized as such, on the basis of regarding them as citizens of the countries in which they live.

We must keep in mind that China wants the Jilin Province of Chinese people, not the Jilin Province of Korean people; and Russia wants the Maritime Province of Russians but not of Koreans.

President Kim has been chary of visiting foreign countries since his inauguration. Nevertheless he plans to visit the United States to attend the Asia-Pacific Economic Council [APEC] meeting in November.

That is proof that the Kim Yong-sam Administration attaches importance to the APEC. While continuing efforts to bind the Asia-Pacific region into one through the APEC, he seeks to break through the barriers of the North American Free Trade Agreement [NAFTA] and the EC. This is part of his strategy to form a multilateral cooperation system in Northeast Asia.

Becoming a permanent member of the UNSC is also our foreign policy goal. Of course, it will be difficult to realize this goal in the foreseeable future. But we have to sow the seeds for it.

Accordingly, the government has set the goal of becoming a non-permanent member of the UNSC.

In the event the UN Charter is revised at the UN General Assembl session next year, our government hopes that the new Charter will introduce a system of permanent membership of the UNSC with no veto power. It is not practical to hope that during President Kim's term, our international position and our national strength will become so strong that we will be able to become a permanent member of the UNSC with veto power. But it is not beyond the realm of possibility that our country will become a permanent member of the UNSC with no veto power.

We should think that behind-the-scenes negotiations have already begun to that end.

However, every one of the officials in charge of foreign, unification, and security affairs who have the Kim Yong-sam Administration's blueprint for the 21st century are unanimous in saying that we need an economic underpinning to make this dream come true.

They point out that unless we revive our economy, this rosy dream will turn out to be a pipe dream on a balmy spring day.

* Former Activists in Government Challenged

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[Article by reporter Song Mun-hong)

[Text] A joke went around among some carryover bureaucrats shortly after the inauguration of the new administration. They now had former activists as their new bosses, the commanders of the occupation forces, so to speak. Whenever they saw new bosses passing by, the "conservative bureaucrats" bent over the table with their heads covered with their hands shouting, "Bombs falling." This was an ingenious way of saying, "We surrender" to the new bosses.

Now, about seven months after the changeover of government, reformist personages inside and outside the government, regarding it as their first priority task to maintain harmony with the conservative forces, are gradually getting in the saddle. Let me cite one successful example.

Reformist Cho Chun-ku was appointed executive officer of the Resources Recycling Corporation under the Ministry of Environment Administration in early July. The first thing he undertook was the task to settle the labor dispute which had continued for months with no clue to settlement in sight. A long-time activist in the labor movement, he was a dyed-in-the-wool dissident. He took part in founding the Masses Party in 1990 with Yi U-chae, Yi Chae-o, Chang Ki-pyo, and others. In only three hours, he settled the labor dispute thereby earning high tribute from all quarters.

Said Cho Chun-ku: "The key issue that stood in the way of settlement was the question of increasing the number of union officials in workplaces. I found some truth in the arguments of both sides. So, I stepped in and persuaded them. In many cases emotions rather than reasoning are apt to dominate labor-management negotiations. Unexpectedly, the dispute was settled so fast. I, who used to speak loudly for the cause of labor, now find myself on the management side—Things have really changed."

The entry of dissident activists into the Establishment, particularly into the opposition party, actually began in the latter part of the 1980's. But it is different now and many activists are joining the ruling camp in earnest. This unprecedented trend is arousing interest in former activists because the activist camp has become a source of replenishing personnel for both the ruling and opposition camps.

Deputy Prime Minister Han Wan-sang and Kim Chong-nam, senior Blue House secretary for education and cultural affairs, are the typical cases of progressive personages joining the government. The deputy prime minister, former professor of social science at Seoul University, played a part in "making Kim Yong-sam a president" during the last presidential race, with the Korea Institute of Social Problems as his base. It is well known that Senior Secretary Kim Chong-nam, on the other hand, campaigned for presidential candidate Kim Yong-sam through the Citizens' Union for Building New Korea, which was led by the 3 June generation, the generation that spearheaded the drive against the ROK-Japan rapprochement talks. More than 30 former activists have joined the Blue House, the Administration, and various government agencies since the inauguration of the new government.

The most striking fact about these former activists who have joined the ruling camp is that they predominantly belong to the 3 June generation and are young former activists belonging to the college freshman classes of 1980 and after. Among those belonging to the 3 June generation are: Kim Tok-yong, first minister of state; Kim Chong-nam, Blue House senior secretary; Chong Song-chol, vice minister under the first minister of state; Kim To-hyon, deputy secretary general of the Committee for Peaceful Unification; Choe Hye-song, permanent Research Council member of the National Unification Board; Son Chong-pak, board member of the Sports Promotion Corporation; and Song Chol-won, standing advisor at Korea Textbook Co., Inc.

These former activists of the 3 June generation have maintained certain ties with President Kim Yong-sam since he was an opposition parliamentarian, and reportedly agreed with each other to support candidate Kim

Yong-sam in the presidential elections in 1987 and in late 1982. Their political preference for moderate reform was not much different from the general political stand of the dissident camp in the 1970's. But according to Choe Hye-song, as the political line of the dissident camp underwent a radical change entering the 1980's, they began to keep some distance with the other dissident groups on unification and other issues. As a result, they supported Kim Yong-sam as the best hope in neutralizing the strong reaction of the military and promoting reform.

Yi Song-hon, Kim Yong-chun, Kim Yong-chol, and Chong Kwan-yong are typical activist-turned government officials among the former young activists belonging to the college freshman classes of the late 1970's and the 1980's. Yi Song-hon (35) was the chairman of the Yonsei University Student National Defense Corps (predecessor of the General Student Association), he was enrolled as freshman in 1981. Kim Yong-chun (32) was the president of the Koryo University General Student Association (freshman class of 1981). Kim Yong-chol (age 30, freshman class of 1982) was elected president of Seoul University Student Association in a by-election which was held to fill the seat vacated by the then president of the student association, Kim Min-sok (current chairman of the Democratic Party [DP] Yongdungpo district chapter), who was taken into custody on charges of engineering the siege of the Democratic Justice Party [DJP] headquarters building. Each of these figures has a brilliant record as student activist. Chong Kwan-yong (freshman class of 1981) was the president of the Student Council of Seoul University College of Social Sciences. He was a dissident theorist working as political critic at the Policy Materials Office of the Korea Social Research Institute (Hansayon). He also has a unique experience as the first labor union of the Modern Society Research Institute run by Assemblyman Ho Hwa-pyong.

Other former activists who now hold positions in the government and the ruling party include the following: Yu Song-sik assistant to Assemblyman Kim Tok-yong and known as "State Minister Kim Tok-yong's alter ego"; Kwon Ki-kyun, chief of evaluation, the DLP Planning and Research Bureau; Kim Won-pyo, DLP director of propaganda; U Yun-myong and Pae In-hyo of the DLP Women's Bureau; Pak Song-chan, Kim Tong-il, Kang Kil-mo, Kim Hyon-min, and Cho Chong-nae—expert panel members of the Ministry of Information. Of these, U Yun-myong was sentenced to hard labor in connection with the siege of the DJP Education Center in Karak-tong in 1984. He now stays in the DLP, successor organization of the DJP. What an amazing change!

This new generation of reformists have joined the Kim Yong-sam camp through diverse channels. But probably the main channel was the Institute of Activist Politics (Unjonghoe), organized in 1985 and continued in existence until shortly before the three-party merger. Unjonghoe, inaugurated under the "fresh thought" of linking activism to politics, became the parent body for the Central Youth Committee (Chungchong) under the Reunification Democratic Party [RDP] during the 1987 presidential race. Former Unjonghoe members who are currently active in the ruling camp include: Yi Song-hon, Kwon Ki-kyun, Yu Song-sik, Kim Won-pyo, and Kim Yong-chun.

Yi Song-hon in particular assisted Kim Yong-sam at close quarters beginning in 1985 and reportedly played an important role in rallying young activists around Kim Yong-sam. It aroused a sensation when at the age of 33 he was named deputy bureau chief in the Office of the DLP Chairman after the three-party merger. During the last presidential election he played a pivotal role in organizing youths around the DLP candidate in his capacity as Chungchong secretary general. He is one of the ten young aides who jog with the president in the morning.

Explaining their motives in joining the government and the ruling party, most of these people who assisted Mr. Kim Yong-sam at close quarters for long say, "We trust him personally" or "we believe it is better to move even one step forward by deed in the ring than shout social reform only by word outside the ring." However, in retrospect they, who were already in the Kim Yong-sam camp long before the three-party merger said that they were in anguish because they were berated by outsiders.

Kim Yong-chun, who joined the Blue House staff from the activist camp, recalled his difficulties in those days in these words: "It was the most agonizing time personally when I joined the Kim Yong-sam camp in his RDP days and when the three-party merger took place. I maintained my acquaintance with him while I was in the activist camp, although it was once cut off." In fact, Chungchong was divided into two opposing groups, those who decided to remain and others who decided to bolt, when the three-party merger took place. After a heated dispute, some key figures drop out and others joined the DP.

Most of former activists who are now in the ruling camp agree that the situation is now different. They point out that in the past they were critical of the government and the ruling party, but their attitude toward the government and the party turned more affirmative as reform began to take concrete shape. Yu Song-sik, assistant to State Minister Kim Tok-yong said: "In the past, dissidents demanded change and self-awakening on the part of those activists who joined the Establishment. But now the situation is quite opposite." In fact, the dominant view among dissidents is epitomized by these words: "We cannot completely agree to the choice made by those progressive persons who have joined the ruling camp, but we should give them concerted support for now."

The attitude of the opposition party toward the government party has also changed. Said an activist-turned secretary to a DP assemblyman: "In the days under the former regimes, we looked askance at the assistants to opposition assemblymen as belonging to a different type from ours. But the sense of gap has been narrowed considerably, especially with regard to the reform-minded assistants to opposition assemblymen." According to him, if a gap in perception still remains, it is only a subtle difference originating in the difference between the government and opposition parties, namely, the difference of who is a shade more positive toward the current reform or a shade more critical of it.

As a result of this change in the atmosphere, former activists in the ruling camp seem to have gained their self-confidence to a degree. Pae In-ho director of the DLP Women's Bureau, who joined the Kim Yong-sam camp in his RDP days and remained on his side through the three-party merger, said as follows:

"In my opinion it is now meaningless to discuss the merits and demerits of the DLP and the opposition party. From the standpoint of doing some actual work, the government party has a more positive side to it. I believe that if what you are doing is good for the development of our society, you have no reason to keep away from the government party. One thing I have noticed since I joined the DLP is that while regrettably the opposition party operates like a hole-in-the-wall store, the DLP moves in an organized and systematic manner."

For activist-turned government officials the eight months following the inauguration of the new government has been a "new experience." These officials, who shouted for national interests and democracy outside the establishment, are now leading the reform drive in their key posts in the government.

But even now, seven months after the inauguration of the new government, they exercise extreme "care" in their behavior because their latitude of action is naturally limited due to the preconception of people around them. People in the Blue House jokingly say, "Senior Secretary Kim Chong-nam is the person who has become most conservative since the inception of the new government." In fact, Kim Chong-nam has turned down the requests for an interview reporters made through various channels. In most cases, those officials who granted interviews agreed to the interviews on condition of anonymity. Secretary Kim Yong-chun, former secretary general of the Masses Party described the internal atmosphere of the Blue House in these words: "Former activists are very careful about every word they utter and every move they make to avoid trouble because of the general preconception that they are extremists."

Nevertheless, most of former activists inside the Blue House say, "There is no such open conflict between the conservative and the progressive as is being speculated by outsiders." If there is any conflict, they say, it is at most a subtle sense of heterogeneity between the old and new forces of the previous regimes and the new government, and the difference that arises from the fact that those close aides who have assisted President Kim since his opposition days read his mind and propensities more accurately than others. Said Yi Song-hon: "Because business is conducted according to a vertical line of command by the nature of the operation of the Blue House, there is very little business connection to the people in the next room. No one knows what is going in the next room. Despite this fact, outsiders have the misconception that there is an ongoing acute conflict in the Blue House."

Still, outsiders have a strong suspicion on them. A typical example is the ideological offensive of the conservative camp against Deputy Prime Minister Han Wan-sang's policy toward North Korea and Labor Minister Yi In-chae's policy of no pay for no work. Some conservatives inside and outside the government go so far as to say, "President Kim Yong-sam is besieged by the radical leftist forces."

The seed of conflict between the conservatives and reformers inside the ruling camp sprouted in the process of formation of the new government, or rather far back during the process of the three-party merger. The conflict has been kept submerged by the general current of the times. Particularly in the inner circles of the conservative forces, voices of criticism and dissatisfaction are reportedly rising in connection with the introduction of the real name financial system on 12 August. A DLP assemblyman belonging to the DJP faction expressed his "private opinion" as follows:

"Currently, some indulging in "petit heroism" within the government, particularly in the Blue House, are leading the president astray. After all, they are the ones who would cause nothing but trouble to the president. They claim that the real name system will give hope to the indigent and revive the economy. This claim is ridiculous. Small merchants and entrepreneurs are the ones who are actually suffering from the immediate consequences of the real name system, aren't they? They say the real name system has dealt a blow to the entrenched interests, but they are wrong. They should know that the whole country may fall before the rich go down."

The words "petit heroism" refer to former activists in the government and the people who are known as providers of reform ideas. Another DLP assemblyman said, "It will be difficult for the government to look ahead to the future of the country unless it frees itself from the dissidents' way of thinking. This is a question involving the philosophy of government." Some conservative circles say, "Putting into effect such an important matter as the real name financial system by a lightening decision of the president without going through the process of building a national consensus is a serious procedural problem in a democracy."

On the contrary, the main body of criticism voiced by the opposition party or dissident circles is that the attitude of the progressive personages in the government is rather too passive. Said Assemblyman Yi Pu-yong, member of the DP Supreme Council, "The entrenched interests are searching for a target in the wrong place in their counterattack against the reform which encroaches upon their privileges."

Added Yi Pu-yong: "We take note of the fact that the progressive personages in the government and the Blue House are working hard. But they lie too low in the face of the offensives by the old-liners. They should make it clear that they are the leading force of reform and should actively counter the offensive of the old-liners. The current situation gives the impression that the president alone is leading the reform drive, with the so-called reformists hiding behind him."

Choe Tong-chon, president of Tonggwang Publishing House, who belongs to the 3 June generation, said, "In the early stage of reform, the pushers of reform in the ruling camp did not play a masterful game in demonstrating their commitment to reform." To be more specific, he meant to say that Deputy Prime Minister Han Wan-sang and Labor Minister Yi In-che, who came under attack, failed to find the right moment and prematurely expounded their ideas, thereby weakening the overall position of the entire forces of reform.

However, the general reaction of the former activists inside the ruling camp to the offensive of the conservative wing is limited to argument about matters of principle. In their uniform "typical reaction," they say, "The current reform should be one that embraces all reform forces without excluding any particular force."

However, some of them say, "If three is any force determined to resist the current reform drive to the end, it should naturally be eliminated." Thus they do not conceal their intention to mount a counterattack if need be. The following are the words of a former activist in the Blue House:

"In a sense I would say that the reform drive until now has been the process of neutralizing the entrenched interests. The forces that led politics in our country in the past governed the country by using anti-communist ideologies as a weapon in the pattern of North-South confrontation and division, and viewed the ill-gotten interests they acquired in this process as their just due. They never imagine the state in which friends and foes are all mixed up as they are today. With their kind of thinking it is no longer possible to cope appropriately with the challenges from within and without."

The argument that the old-liners should be eliminated in the interest of genuine reform is heard more loudly outside the ruling camp than inside it. Yi Sin-pom, former activist who is now an executive in the Environment Management Corporation, said, "The task of rectifying the old wrong practices and value judgment—a task not so radical—involves the process of purging personnel." Mr. Yi, who belongs to the 3 June generation, said further as follows:

"I know that soon after the inception of the new Administration, someone recommended to the president that all officials in privileged government positions be forced to tender their resignations. But the recommendation was not accepted. The idea of "organizing a planning group for building a new Korea" also aborted at the 11th hour after the selection of potential members was completed. As a consequence, the old-liners are now raising their head and are on the move again. I believe that when that recommendation was made, reform-minded personages outside the Establishment should have joined the reform drive to push it forward..."

This thought on the part of people outside the Establishment may stem from the complaint that only a few activists joined the government compared with the number of people who devoted themselves to the democratization movement in the past, and who more recently, worked hard to elect candidate Kim Yong-sam in the last presidential race. The following are the words of another activist outside the Establishment:

"In fact, the discontentment of those who busily ran under candidate Kim Yong-sam's umbrella organizations during the last presidential election, as well as those who were in the opposition camp around him in those days, is now approaching an explosive point. The Democratic Alpine Club, the Campaign Headquarters for Patriotic Deeds, and the Citizens' Federation for the Creation of a New Korea (Sinhanyon) had large memberships, but very few have joined the government since the last presidential election. I believe that our country, too, should adopt the U.S. system of replacing officials in privileged government positions each time government changes hands. Only by doing so will the current reform drive gain strength and come to a successful end."

The same activist said that when he followed Kim Yong-sam in the days under the dictatorship, his wife worked as a visiting housekeeper, but he could justify that plight before his neighbors by saying, "I am fighting for democracy." But when Mr. Kim became president, the activist said to himself, "We may be in for good times." But he said he has not found a job yet. When he sees his neighbors, he says, he feels sorry for his plight.

Another person outside the Establishment described this situation in these words, "They say personnel management is everything, but it is the wrong personnel management that becomes a bane." He argues that the appointment of Kim Sang-chol as Seoul mayor in the early days of the new Administration and the subsequent resignation of Yi Chung-pom, Blue House secretary for audit and inspection, were proof of wrong appointments in the early period. Referring to reports that recently President Kim scolded his aides for being "a hopeless bunch," and the impression that the president alone is undertaking reform, the dissident said all this is a consequence of the wrong handling of personnel affairs.

However, a Blue House official explained: "In the case of former Blue House Secretary Yi Chung-pom, outsiders had an overblown image of his duties. In fact, as far as the president is concerned, he cannot take all those who helped him during the presidential election into consideration in making appointments, and they themselves have different interests also. One should take the Yi Chung-pom case as one of those few exceptions in the process of bringing the people the president could really trust into the government."

There seems to be simmering complaints among younger officials about the way personnel affairs are being handled. Reportedly, there were quite a few cases in which tentatively selected appointees packed things and waited for the formal appointments, but had to unpack because the appointments never came. A young DLP official said, "Some secretaries who joined the Cabinet were so much preoccupied with hiring their men that many of those who really qualified for specific posts had to be left out." There is an episode about a carryover from the old Blue House, who packed up his things to leave the Blue House when the new Administration was sworn in, but his new boss told him to stay, asking him to make a copy of a certain document; so, he decided to stay on.

One interesting fact is that inside the ruling and opposition camps, inside and outside the Establishment, and even within conservative circles, people are extremely chary of criticizing President Kim. When dissents outside the Establishment criticize those inside the Establishment, their targets of criticism are either the old-liners or activist-turned reformers; and in the conservative camp, their target of criticism is not the president himself but former activists around him. In this sense the following words of DLP Assemblyman Kang In-sop, who belongs to the RDP faction, are instructive: "Basically, President Kim also grew up in the conservative field. In fact, only a few of those who belong to the RDP faction are participating in the reform drive with particular enthusiasm. The majority are just following the President because he is taking the lead."

The former activists in the DP outnumber those in the ruling camp beyond comparison. The DP National Assembly members alone among them exceed 20. They are: Kim Pyong-o, Kim Yong-chin, Kim Won-ung, Kim Chong-wan, Pak Kye-tong, Pak Sok-mu, Sin Kye-ryun, Won Hye-yong, Yu In-tae, Yi Kyu-taek, Yi Kil-chae, Yi Sok-hyon, Yi Pu-yong, Yi Hae-chan, Yim Chae-chong, Chang Ki-uk, Chang Yong-tal, Chong Sang-yong, Che Chong-ku, Cho Hong-kyu, Hong Yong-ki, and Mu Hui-sang. In addition, No Mu-hyon and Kim Man-sok are DP district chapter chairmen; and Kim Pu-kyom and Kim Yong-sok are party bureaucrats, the former being the deputy chief of the Party Affairs and Planning Office and the latter a deputy spokesman. There are more than 100 secretaries and assistants to DP assemblymen.

Currently, former dissidents in the DP are banded together in the Assembly for Democratic Political Reform [ADPR] and the Youth Committee, its umbrella organization. The ADPR was organized by the younger generation in September last year to lead party reform and cultivate a new political culture. The Youth Committee under it consists of young assistants to DP assemblymen and young party officials. The 12 assemblymen who proclaimed their commitment to clean politics in June last year are all members of the ADPR, except Assemblyman Mun Hu-sang.

The ADPR held an evaluation meeting last September marking the first anniversary of its founding. Addressing the meeting Assemblyman Yi Hae-chan pointed out the following problems in the past year that need to be tackled in the future:

—The Alliance for Peace and Democracy [Pyongminnyon] and the Youth Association for Democratic Alliance [Minjuyonhap], which comprise the mainstream of this organization, have not succeeded in resolving their differences over the process of and the motives for joining the Establishment and the action line;

—The problems outstanding between the different factions and groupings have not been solved because of the failure to clarify the relationships between the ADPR and the existing forces within the party;

—The ADPR failed to present its own uniform stand before the party and its efforts to push for party reform have been sporadic, thereby unable to lead party reform in a substantive manner;

—The leadership inside the organization remained unstable and did not have enough power of action due to a lack of mutual trust.

The ADPR is bolstered by two pillars, Minjuyonhap and Pyomgminnyon. In brief, Pyongminnyon took the "position of critical support" for Kim Tae-chung during the 13th presidential election in 1987, whereas Minjuyonhap took the stand in favor of "fielding single candidate." Subsequently, Pyongminnyon members joined the 13th National Assembly in droves through the 1988 general election. It was the first dissident group to enter the Establishment en masse. Minjuyonhap, on the other hand, was repeatedly split into many subgroups including the group that founded a progressive party, before making its first entry into the 14th National Assembly. The two groups have traveled on separate roads. The scars of the major split of the dissident camp in 1987 still remain unhealed.

Currently, in public at least, these two groups claim they have removed much of their political differences and have strengthened their unity. Kim Yong-chin, chairman of the Youth Committee underthe ADPR and assistant to Assemblyman Pak Kye-tong, said: "The old Pyongminnyon vs. Minjuyonhap framework is no longer possible, nor is it desirable either. Some people predict that should Kim Tae-chung make a comeback, a considerable number of people would split and regroup.' But it is high time for us to free ourselves from the factional mechanism. This is one of the major tasks of our youth organization."

However, it seems that internally, these two groups have not yet overcome their emotional differences, which find their manifestation in the current speculation in political circles about a possible political reorganization. If the Pyongminnyon side comes close to maintaining that the existing DP framework should be maintained, the Minjuyonhap side comes close to maintaining that if a common ground is found in political goals, a political reorganization is possible through a union with the reformers in the ruling camp. An aide to an assemblyman who belongs to the Minjuyonhap said as follows:

"In fact, the current state is very confusing with all the opposing groups corralled in the same enclosure. Their views of the current reform drive differ depending on the conservative or progressive propensities of individuals, not on the conventional government vs. opposition paradigm. In my opinion, a reorganization of the political world is possible depending on people's political view of the current situation and their outlook for the future."

Discussion of political restructuring is taboo for both the ruling and opposition parties. As far as official responses are concerned, most politicians come close to saying, "Impossible." But it is a fact that various rumors are circulating among dissident circles. One dissident specifically mentioned the ratio of 3:3:1. According to his speculation, the reform forces in the ruling camp, the reform forces in the opposition camp, and dissidents organized in one political group in the present political landscape will form a single political force with their numbers divided at the ration of 3:3:1.

A large number of young former activists have joined the political establishment mainly because of their personal political propensities, but the high regard existing politicians have for their abilities is another factor. Many of the assemblymen they assist are former activists, paving the way for mutual close cooperation between former activists and assemblymen.

Assemblyman Pak Kye-tong said: "Former activists are logical in their approach to issues and have an outstanding ability to get to the bottom of problems. One advantage is that we can reflect the fresh views of the times by debating issues with our assistants." Since it came to light that Assemblyman No Mu-hyon became the star of the hearings in the 13th National assembly thanks to the help of his assistants, more and more assemblymen have shown their preferences for hiring former activists as their assistants.

A salient feature of young former activists among the aides and secretaries of DP assemblymen is that many of them belong to the freshman class of 1982. Some circles call the 30 or so former activists inside the DP "another 6/3 generation" because most of the college graduates who entered college in 1982 were born in 1963. Students who were in the core of the student movement when it was in its hey day in 1985 were the ones belonging to the freshman class of 1982.

The following among them are now active in the DP: Kim min-sok (then chairman of the National Federation of Students [Chonghaknyon]; Chong Tae-kun, former president of the Yonsei University General Student Association, Yi Hae-sik (former president of the Sogang University General Student Association); Yi Tae-kyu, former president of the Hanyang Engineering College General Student Association); Yi Song-ho (former acting president of the Seoul University General Student Association); and Ko Myong-sok (former chairman of the Seoul University Sammintu Committee).

Kim Min-sok ran for the 14th general election in the Yongdungpo-B electoral district on the DP ticket, but lost to Na Ung-paek, the DLP candidate, by a narrow margin. He is a typical forerunner among the former activists belonging to the freshman class of 1982 whose ability and freshness as "new-age politicians" have been well recognized. Yi Tae-kyu, Yi Song-ho, Ko Myong-sok, and others unsuccessfully ran for the provincial-level elections in June 1961. The following are the words of Kim Min-sok, who is scheduled to leave for the United Sates late this year for study.

"Ours is the generation that will be responsible for politics in our country in the next century. The situation at home and abroad will change substantively in the new century, and our generation must prepare now for this change. For one thing, if we are preoccupied with factional interests at a time when a concrete prospect for a unified Korea is on the horizon, we may pass over another chance."

Chon Ho-son, ADPR vice chairman and assistant to Assemblyman Yu In-tae, said the same thing. He said:

"In my opinion it is desirable for the young generation to run for elections at the base level, such as district council elections, and carry out active local campaigns. We can find a vision for political development in the change in Japanese politics that has catapulted Hosokawa, who actively pressed for the revitalization of local autonomy, to the seat of Japanese prime minister."

Rising in chorus among the progressive forces both in the ruling and activist camps are the voices saying, "The existing conservative bipartisan arrangement will no longer work." In other words they say that there must appear a new political horizon in order to prepare for a unified Korea in the 2000's and break the old shackles. A dissident described this situation in these words, "All groups, including the old-liners who are absorbed in protecting their entrenched interests, are agonizing painfully."

Said a former activist in the Blue House: "To put it tersely, under the past political mechanism, political forces were divided into the ruling and opposition camps according to the ranks politicians chose to join when they entered into politics. But in the future the political mechanism should take the form in which people with similar policy tints should group together, and this demands the formation of the conservative vs. progressive framework in the true sense of the words."

On the other hand Yi Pu-yong, member of the DP Supreme Council, presents a new concept of the conservative and the progressive as follows:

"I do not agree to the notion that a man who formerly belonged to the old-liners cannot be a reformer and vice versa. By old-liners are meant those who obsessed with the old, wrong political interests and are trying to maintain those interests. Any dissident who finds the existing political system to his interest should be classified as an old-liner. In brief, the difference in the way politicians view the future and in the way they approach to the future needs will be the criterion used in differentiating between conservatives and progressives. In other words, there should be no stereotypic dichotomy. In this sense, now is the time for conscientious conservatives to come forward to admit that their past privileges were not right and to make efforts to correct them."

A person who belongs to the 3 June generation presented this view: "An immediate arbitrary political reorganization may be difficult to expect, but I expect that things will change drastically by the 1996 general election. At that time there will be a sweeping shift in personnel in the existing political alignment. Only by doing so will we be able to lay the foundation for the next century."

Regarding the future role of the dissident camp, dissident activist Kim Kun-tae, said: "Many argue that the role of the dissidents who stood in the van of the struggle against the dictatorship in the past is now over. But I don't agree. Needless to say, the theoretical ground of the ultra rightist stand has virtually crumbled, and by the same token it is necessary to modify certain parts of the extremist anti-establishment doctrine of the dissidents. In my opinion, in the future we of the dissident forces should play the role of constantly criticizing the government and holding it in check over the question of what the most effective way of realizing genuine democracy in this land is, thereby maximizing the wholesomeness and efficiency of our society which are showing signs of improvement."

Everyone inside and outside the political world is literally in anguish. The reform forces in the ruling camp are agonizing over the way to carry out perfect reform; and the people outside the opposition camp are groping for the road ahead under the changed circumstances. The question remains: Will those former dissident activists who have jumped into the Establishment in the midst of this confusion be able to open a new horizon for politics in our country?

Brunei, Malaysia & Singapore

Malaysia

Mahathir Comments on Aircraft Industry at Show

BK0712101193 Kuala Lumpur BERNAMA in English 0430 GMT 7 Dec 93

[Text] Langkawi, Dec.7 (OANA-BERNAMA)—Malaysia is to manufacture a German-designed amphibious aircraft next year, the latest addition to its infant arms industry, Prime Minister Dr. Mahathir Mohamed announced Tuesday.

The twin-engined Dornier Seastar CD2, a 14-seat aircraft, would be produced entirely in Malaysia by a consortium of companies led by Aerospace Industries Malaysia (AIM).

This aircraft has enormous scope for sales in the Asia-Pacific region, being useful both for maritime patrols, search and rescue missions as well as for lake and island resorts, Dr. Mahathir said when opening the Langkawi International Maritime and Aerospace Exhibition (LIMA) 1993 here.

This is Malaysia's third aircraft macufacturing project after the Eagle X-TS, a light all-composite aircraft, and the Swiss-designed Datwyler M3-160 two-seater aerobatic trainer aircraft.

Dr. Mahathir also announced that the government had approved a composite manufacturing zone (CMZ) in southern Melaka state in efforts to promote composite product manufacturing in Malaysia.

Over 60,000 delegates, journalists and visitors are expected to attend the exhibition, which Malaysia hopes will act as the springboard for defense manufacturers to enter the growing regional market, through joint ventures with Malaysian companies.

The exhibition also features attack helicopters like South Africa's CSH-2 Rooivalk, Russia's Kamov KA-50 and the U.S's CH-47D Chinook, Britain's Starburst and Rapier missile systems, and warships including the British destroyer HMS Glasgow, France's FNS Nivose frigate and the USS Independence aircraft carrier.

South Africa, making its debut in Malaysia and in the region, has generated the greatest interest, especially after the arrival of the Rooivalk, one of the world's most lethal combat helicopters.

Malaysia recently lifted a 30-year diplomatic and trade ban on Pretoria after it dismantled its apartheid policy and agreed to multiracial rule.

A range of civilian aircraft and pleasure boats are also on show, including the Malaysian-Australian Eagle XT-S light aircraft and the locally-made, Swiss-designed, MD3-160 trainer plane.

Mahathir urged foreign companies to set up ventures to build pleasure boats and planes to meet growing demand in increasingly affluent Southeast Asia.

Highlights of the exhibition include daily aerial stunt performances, regattas, and two conferences—one on Aviation and Maritime Safety, and another on Asia-Pacific Air Traffic.

Heavy rain caused the postponement until later this afternoon of en aerobatics show, featuring aircraft from Malaysia, the U.S., Australia and Russia, that was scheduled to follow the opening ceremony.

LIMA is organized by Malaysian companies the Proton Lima Sdn. Bhd. [Company Limited], and Debis Marketing Services Sdn. Bhd.

Minister on Tariff Items Offered for GATT Talks

BK0712135893 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Dec 93

[Text] Malaysia has offered a total of 7,218 tariff items for the Uruguay Round negotiations. The minister of international trade and industry, Datuk Sri Rafidah Aziz, said this includes agricultural products, increasing the [words indistinct] to 52 percent as compared to 31 percent in April last year. She pointed out Malaysia could continue to make tariff cuts if necessary after the Uruguay Round. She told this to reporters after opening the Malaysian Institute of Economic Research, MIER, 1993 national outlook conference in Kuala Lumpur today.

According to Datuk Sri Rafidah, Malaysia and the other ASEAN partners continue to monitor daily on the changes in the Uruguay Round negotiations. She expressed confidence that the United States and the EC do not want the Uruguay Round to fail.

She pointed out that the successful conclusion of the Uruguay Round negotiations is important to Malaysia, and this would affect the international trade regime brought about by the failure of the Uruguay Round.

Australian Minister Arrives; To Meet Mahathir

BK0512114993 Melbourne Radio Australia in English 1100 GMT 5 Dec 93

[Text] Australia's Trade Minister Peter Cook has arrived in Kuala Lumpur insisting that the diplomatic row between Malaysia and Australia is finished. Senator Cook told waiting Australian journalists that the statement on Australian Television today by Prime Minister Paul Keating had resolved the affair. The rift was sparked by Mr. Keating's criticism of his Malaysian counterpart for not attending the Asia-Pacific Economic Cooperation Summit in the United States last month. Trevor Watson reports from Kuala Lumpur.

[Begin Watson recording] Senator Cook refused to discuss the row beyond (?not) saying it was over now that two countries had a great future ahead of them. With the government here reviewing relations at all levels, including trade and diplomatic ties, Senator Cook said he was in Kuala Lumpur to do no more than present a speech titled Collaborating for Success. The minister insisted that Prime Minister Keating's television appearance this morning had effectively ruled off on the affair. He said he was happy to be in Malaysia and appealed to reporters not to exaggerate the rift. Senator Cook will meet Prime Minister Mahathir at a formal dinner tonight ahead of his speech tomorrow at Pacific-Rim Business Conference. [end recording]

In an interview broadcast on Australian Television today Mr. Keating said his government wanted to have a good and constructive relationship with Malaysia, but it would only be possible if Malaysia also wanted such a relationship. Mr. Keating said he'd sent Dr. Mahathir an honest and frank letter last Thursday [2 December] explaining that his remarks were not calculated to offend. The interview was recorded before yesterday's announcement by the Malaysian Government that it would review business and other ties with Australia because of offense taken at Mr. Keating's remarks.

Later a spokesman for Mr. Keating said Australia has not received a formal protest from Malaysia, and while no date has been fixed, the prime minister still intends to visit Malaysia some time next year.

Canberra To Take 'Measured Reaction'

BK0812104893 Kuala Lumpur BERNAMA in English 1011 GMT 8 Dec 93

[Text] Langkawi, (Malaysia), Dec 8 (OANA—BERNAMA)—Australia's reaction in the worsening diplomatic row with Malaysia will be measured but it hopes that the problem can be resolved quickly, its Defence Minister Senator Robert Ray said Wednesday.

The Australian Government will await any decision of the Malaysian cabinet on this matter. We will consider the position in a measured way, he told a press conference here.

The cabinet is considering at its meeting on Saturday Wisma Putra's [Foreign Ministry] proposal for the next course of action in the strained Malaysia-Australia relations following Prime Minister Paul Keating's insulting statement against Dr. Mahathir Mohamed last month.

Keating, who called Dr. Mahathir recalcitrant for not attending the Asia-Pacific Economic Cooperation (APEC) meeting in Seattle, has refused to apologise.

Badawi, Afghan Minister Discuss Bilateral Ties

BK0712120193 Kuala Lumpur BERNAMA in English 0853 GMT 7 Dec 93

[Text] Kuala Lumpur, Dec 7 (OANA-BERNAMA)—Afghanistan proposes to raise the status of its representative's office here to that of embassy to upgrade relations with Malaysia, Foreign Minister Abdullah Ahmad Badawi said Tuesday. He said Afghanistan's Minister for Foreign Affairs [title as received], Dr. Najibollah Lafra'i, conveyed this to him at a meeting here Tuesday morning.

Dr. Lafra'i also conveyed a message from Afghan President Borhanoddin Rabbanni to Prime Minister Dr. Mahathir Mohamed on the matter, he said. Malaysia had no objections to the proposal and was prepared to exchange diplomatic notes on it, he told a press conference, here.

Abdullah said President Borhanoddin had informed Dr. Mahathir of the proposal when the two leaders met in Jakarta during the Non-Aligned Movement summit recently.

As the proposal was from Afghanistan, Malaysia had said that it was up to that country to take the appropriate actions, he added. Abdullah said he also discussed with Dr. Lafra'i the possibility of enhancing bilateral cooperation. He said Malaysia regarded its relations with Afghanistan as meaningful and wanted to make it more solid. He said Malaysia, which offerred Afghanistan places in the International Islamic University (IIU), would be offering training in development in international courses conducted by the National Institute of Public Administration (INTAN) in future.

Afghans were also offered the diplomacy and foreign relations courses conducted by the Institute of Dipolmacy and Foreign Relations.

Dr. Lafra'i also wanted a meeting arranged between businessmen of the two countries because Afghanistan wanted to step up economic relations with Malaysia, he said.

Abdullah said Malaysia offered to share in experience in the field of privatisation after being informed that Afghanistan intended to privatise several of its business agencies.

Cambodia

Chea Sim Receives Russian Envoy's Credentials

BK0312090193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 2 Dec 93

[Text] Samdech Chea Sim, acting head of state and chairman of the National Assembly, received credentials from His Excellency [H.E.] Yuriy (Vlakovich) Mirkotnykh, extraordinary and plenipotentiary ambassador of Russia to the Kingdom of Cambodia, at Damnak Chan Pavilion in the Royal Palace on the morning of 2 December. Samdech Chea Sim warmly welcomed the Russian ambassador, considering the envoy's noble mission a contribution to enhancing and reinforcing bilateral relations of solidarity and friendship and cooperation and promoting each country's interests. Samdech

Chea Sim reaffirmed that all kinds of favorable conditions would be created for H.E. Yuriy (Vlakovich) Mirkotnykh to make his task here successful.

For his part, H.E. Yuriy (Vlakovich) Mirkotnykh thanked Samdech Chea Sim, who has made considerable contribution to the national reconciliation process and the quest of a genuine peace for the Cambodian motherland and people. The Russian ambassador also conveyed greetings, through Samdech Chea Sim, to His Majesty King Norodom Sihanouk Varaman and the queen. He wished the king a speedy recovery and the best of health so he can remain as a cool shade for the Cambodian people.

Transport Minister Meets Singapore Delegation

BK0212103393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 2 Dec 93

[Text] His Excellency [H.E.] Ing Kiet, state minister and minister of public works and transport of the Kingdom of Cambodia, held a working session with a Singapore trade delegation led by Alan Yeo, chairman of the Singapore Trade Development Board, at the Ministry of Public Works and Transport on the morning of 1 December. The meeting focused on a number of issues concerning relations and investments in Cambodia's public works and transport sector.

At the meeting, H.E. Ing Kiet said: After Cambodia recovers peace, it is a must for the Royal Government of Cambodia [RGC] and the Cambodian people to restore and rebuild the country; however, the sector of public works and transport has encountered tremendous difficulties. He added: Singapore, which is more experienced and developed than other countries, is requested, via the Singapore trade delegation and the Singapore Government, to grant assistance in investments in ports and roads, provide professional and technical trainings, and conduct studies on the Sihanoukville seaport, airports, and so on.

H.E. Ing Kiet expressed hope that the relations and investments for the interests of both sides, Cambodia and Singapore, would certainly bring about development for the Kingdom of Cambodia, thereby making it prosperous and glorious in the future.

Singapore To Restore Airport

BK0712064693 Phnom Penh AKP in French 0401 GMT 7 Dec 93

[Text] Phnom Penh 7 Dec (AKP)—Singaopore will begin work to restore Cambodia's Pochentong international airport in February 1994, said Alan Yeo, head of the delegation of Singapore's Trade Development Council, who is on visit to Cambodia.

This restoration work, followed by an upgrade to the international level for Preah Sihanoukville sea port, is within the framework of Singapore's first investment projects in Cambodia. Studies for these projects were conducted by a technical group during a visit last November.

"We also plan to build a new airport in Kompong Speu Province in order to facilitate trips by foreign tourists coming to visit Cambodia," added Alan Yeo.

The Trade Development Council of Singapore, one of the ASEAN countries, further has been authorized by the Royal Government of Cambodia to invest in the agriculture sector (notaby the water problem), in the promotion of agro-industrial crops, in the restoration of communications lines, in electricity and hydro-power, as well as in the improvement of professional training of Cambodian personnel.

Alan Yeo expressed satisfaction with this authorization by Second Prime Minister Hun Sen. He was also received by Samdech Krompreah Norodom Ranariddh, first prime minister of the royal government.

The delegation of Singapore's Trade Development Council also held working sessions with responsible officials from various ministries and a meeting with Veng Sereivut, Cambodia's state secretary in charge of tourism, during which the two sides exchanged views on Cambodia's tourism potentials.

Indonesia

Joint Navy Patrols With Malaysia in Straits

BK0712094493 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 7 Dec 93

[Text] The Belawan-based Indonesia Navy, with the cooperation of the Malaysian Royal Navy, yesterday began their joint patrol in the Straits of Malacca. KRI [Indonesian Navy Vessel] Sicurot and KRI Sibarau from Indonesia and KD [Royal Navy Vessel] Sri Negeri Sembilan and KD Serampang from Malaysia are involved in the week-long joint operational patrol in the Straits of Malacca.

Speaking to RRI [Radio Republik Indonesia] in Medan, the commandant of the naval base in Belawan, Rear Admiral Pujiono, stated that the joint operational patrol is conducted with Malaysia because each side is responsible for security in the Straits of Malacca.

Pujiono stated that the coordinated joint patrol is codenamed Sandi-Malindo II 1993.

Touching on the purchase of warships from Germany, Rear Admiral Pujiono disclosed that his authorities will make preparations to construct a dock for the warships. The vessels will be based in Belawan.

Exxon Spokesman on Rights To Explore Gas Field

BK0712061693 Hong Kong AFP in English 0410 GMT 7 Dec 93

[Text] Jakarta, Dec 7 (AFP)—The Indonesian Government promised that the U.S energy company Exxon, and not another firm, would drill the Natuna gas field in the South China Sea, a project worth 30.1 billion dollars, a news report said Tuesday.

"The government would not shift the exploitation of the Natuna gas field to another firm, other than Exxon," said Bahcarudin Jusuf Habibie, research and technology minister, as quoted by the economic daily BISNIS INDONESIA.

"Moreover, the research and technology development agency (BPPT) has approved a draft on the technology they proposed," said Habibie, who is also chairman of BPPT.

Meanwhile, Exxon's spokesman in Indonesia, Bung Hutabarat, told AFP Tuesday that negotiations, resumed last October, were still going on with the state-oil firm Pertamina over the south sea project.

In July, the government announced it had halted negotiations with Exxon because of disagreements over the profit-sharing scheme, tax conditions and government guarantees.

Habibie said the negotiations should be completed this year to safeguard the Indonesian market for liquefied natural gas (LNG), otherwise the market would be taken over by Qatar, which he said had just discovered a large gas field.

BISNIS INDONESIA quoted unnamed sources in Pertamina as saying that Exxon officials had proposed a meeting with President Suharto to disuss the issue as the decision would be in the president's hands.

The government has set up a team of officials from the ministries of mining and energy, and finance, the national development planning board, the state secretariat and BPPT to handle the project, believed to be worth about 63 trillion rupiah (30.1 billion dollars).

The seabed around Natuna island is believed to have gas reserves of around 160 trillion cubic meters and could turn into the biggest gas field in the country after those in Bontang, East Kalimantan and Arun in Aceh, Sumatra.

With an annual gas production of about 22 million tonnes, Indonesia's is the world's largest LNG exporter, supplying mostly Japan, South Korea and Taiwan.

Spokesman on Buying Hawk Fighters From UK

BK0712063093 Hong Kong AFP in English 0558 GMT 7 Dec 93

[Text] Jakarta, Dec 7 (AFP)—Indonesia is considering buying another 20 Hawk fighters from Britain, Air Force spokesman Colonel Joseph Parianto said Tuesday.

"We are considering buying 20 Hawks for our long-term program but it will depend on several things including the provided funds," Parianto told AFP, adding that the long-term program meant after the end of the sixth five-year development plan, in 1999. Indonesia has ordered 24 Hawks fighters—14 double seaters and 10 single seaters—and the first delivery of four fighters was expected in early 1996, Parianto said.

Air force Commander Air Marshall Rilo Pambudi has insisted the purchase of the 24 Hawks was not part of an arms race in the region but only for refurbishment.

The Indonesia air force has so far been composed of U.S.-built jets such as the A-4 Sky Hawk, F-5 Tiger and a squadron of F-16s.

Government To Allow Foreign TV Stations

BK0812095093 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Dec 93

[Text] Foreign television (?companies) will be allowed to set up transmitting stations according to the country's existing laws. The foreign television programs, which are currently televised in Indonesia, are undertaken by a private company.

This was stated by Information Minister Harmoko in Jakarta when replying to a question by Parliamentary Commission I member, Abu Hasan, who urged the government to reconsider the decision on programs televised by foreign television services.

The minister said currently the private company, PT (?Matahari Lintang) Cakerawala, is the only (?company) televising such programs.

Meanwhile, regarding imported films with violent themes that are screened in theaters or on television, Information Minister Harmoko stressed that the government has taken approriate steps. The steps taken by the government are in connection with the decision on imported films [words indistinct] and should be viewed by the film censor board. Apart from this, while the films are being screened, the public could make recommendations on the film—whether they are favorable or otherwise. The government will then retrieve all unfavorable films from circulation.

Daily Hails Annulment of State-Funded Lottery

BK0712155793 Jakarta THE JAKARTA POST in English 26 Nov 93 p 4

[Editorial: "Exit SDSB"]

[Text] Under mounting pressure from almost all elements in society, the government has at last succumbed. The Minister of Social Services E.K. Intan Suweno announced the revocation of her decision of last August to extend the permit of the state sponsored lottery SDSB for another three years in a session with the House of Representatives yesterday.

Thus, although officially the lottery is still allowed to exist until December 31, when its permit expires, we can say that for all practical purposes the SDSB has been written off Its substitute, if there will be any, is sure to take at least several months to formulate, allowing some time for the anti-SDSB heat to cool off.

The decision is hardly a surprise. After weeks of continuous pressure and protests, the government has no other choice except to give the lottery up. What is surprising is perhaps how easy the government's about-face came about.

For years the government has defended—with success—the SDSB lottery against attacks, despite the long-standing complaint of the Indonesian Council of Ulemas (MUI) that the lottery is a form of gambling. So confident was the government about being able to carry off the defense yet on@e again that it extended the permit for an unprecedented three years last September, whereas one year extensions were the rule previousry. But now, suddenly, after just a few weeks of protests, it has surrendered. What could be behind this sudden change of heart? Surely it is not simply because the government has been spiritually transformed overnight and has come to consider the SDSB as a form of gambling. Could it be that the pressure for the abolition of the lottery—all factions in the House of Representatives support such a move—has become so strong that the government has been forced to buckle under to public opinion? Moreover, is there any connection between the decision and the currently growing power of Moslem elements in this country? Or are there other reasons behind the policy shift? One could easily note from the very beginning, when the sparks of opposition to the SDSB had just started to be felt, that the security officials were treating the protesters with gloved hands. Throughout the country, only a handful of protesters were questioned. There were no tear gas charges, nor baton-beating of protesters, procedures that were customary in the past. @3f course, most anti-SDSB protests were peaceful. But there is the possibility that this soft-stance policy was meant to avoid another Nipah Dam incident—four protesters were shot and killed by security officers in the incident on Madura Island. And apparently, the wave of antiSDSB protests had mounted to such an extent that the force of the circumstances got the upper hand and the movement could not be stopped in a conventional way.

Whatever the case may be, from a political viewpoint, the abolition of the SDSB can be seen not only as a victory of common sense, but also as a triumph for the "people's power."

However that may be, one should not be misled into believing that the dawn of a new democracy is breaking with the SDSB triumph.

Certainly, this "victory" may bring euphoria among certain elements of society, particularly those who were opposed to the SDSB, and hence they may try to bring up other issues as their next demands. Some may also believe that staging street demonstrations is now an effective means to back up their demands.

We are of the opinion that such euphoria will be short-lived. The SDSB happens to be a non-political popular issue and the objections to it were simply raised at the right time and in the right political climate. In other words, the SDSB capitulation should not be seen as a trend, but merely as a special case.

Anyway, the decision to abolish the SDSB deserves praise. By axing the lottery the government has wisely stopped the protests from shifting to something larger and more difficult to handle—such as more sensitive politically motivated issues.

Laos

PASASON Article Marks 18th National Day

BK0712015993 Vientiane PASASON in Lao 30 Nov 93 pp. 1, 3, 4

[Unattributed article: "Celebrate the 18th Anniversary of the National Day With Profound Significance"]

[Text] 2 December 1993 marks the 18th anniversary of the great national founding day (from 2 December 1975 to 2 December 1993).

At present, the entire Lao people are joyously and enthusiastically recording achievements to profoundly welcome this historic day. Eighteen years ago, everyone of us was very proud to have made contributions to the cause of national liberation when the complete victory was attained and the Lao People's Democratic Republic [LPDR] was established on 2 December 1975—which has been ever since regarded as our national day.

I. The Development of the 2 December National Day

Laos is a small country but rich with natural resources. The Lao people are diligent and hardworking. They are patriotic, generous, and noble people who like to cultivate friendship with every nation. They cherish peace and righteousness but will never submit to any external aggressors. For several centuries Laos became a protectorate and colony of certain foreign forces.

Enhancing the national tradition of undauntedness, the multiethnic Lao people always remained united and occasionally rose up to fight to defend their motherland. Even though the Lao Loum people's struggle in the south under the leadership of Ong Keo and Ong Kommadam and in Savannakhet Province under the leadership of

Pho Kadouat, as well as the Lao Hmong people's struggle in the north under the leadership of Prince Patchai, were smashed in those early years of resistance, they served to create the national tradition of undauntedness and the spirit of gallantry for the later generations of Lao people to inherit.

Continuing the national tradition left behind by their ancestors, the struggle for national liberation against the colonialists launched by the multiethnic Lao people in the subsequent years grew stronger and bigger. In 1930, the Indochinese Communist Party was founded. After its founding, the party led the Lao people to rise up and fight to win one victory after another. On 12 October 1945, the struggle against the colonialists scored a historic victory when national independence was regained. In 1954, the Lao people managed to compel the colonialists to sign the Geneva Accord to recognize the independence, sovereignty, territorial integrity, and legitimate status of Laos, with the two northern provinces acting as a stronghold of the Lao rerolution. That was a great victory of historic signifiance recorded by the Lao people representing a complete defeat of the [colonialists'] war of aggression, thus ending colonialist rule in this country.

Right after the end of the war of aggression by the colonialists, the neocolonialists immediately jumped into Laos to carry out acts of aggression here. Therefore, the Lao revolutionaries had to rise up to fight against the neocolonialist imperialists for a prolonged period of time. In response to the call of the national liberation struggle, on 22 March 1955 the Lao People's Party, now the Lao People's Revolutionary Party [LPRP], was founded as an offshoot of the Indochinese Communist Party. After its birth, the LPRP led the entire Lao people to carry out the national liberation struggle for 20 years. In May 1974, seizing an extremely rare opportunity when the situation in the country was very ripe and coupled with the great victories scored by Vietnam and Cambodia as well as the rapid development of the world revolution, the ever-strong Lao revolutionary forces dealt three strategic heavy blows against the enemies, subsequently smashing their military might, dismantling their administrative apparatuses, and completely seizing the administrative power and putting it into the people's hands. On 2 December 1975, our people declared the abolition of the monarchical system in the entire country, thus ending the role of the neocolonialists. They also declared the establishment of the LPDR, subsequently fulfilling the objectives of the national-democratic revolution throughout the country and taking the country forward on its ceaseless march. The great victory won by the Lao people then also contributed to the international victory of great significance and profound strategy. Together with the great victories won by the fraternal Vietnamese and Cambodian peoples, the Lao people's victory served to further enhance the position of the world revolutionary forces and to thwart the imperialists' strategy of global hegemony at that time.

II. The Achievements Made by the Multiethnic Lao People in the Past 1 Year (1993) to Welcome the 2 December National Day

This year, the entire Lao people are joyously celebrating the 2 December founding anniversary of the LPDR under a new and energetic atmosphere of work in all fields. Over the past 1 year, the Lao people have made great efforts to record achievements in various fields as a contribution toward welcoming the historic day.

1. Our fundamental political work has been consolidated to attain a better quality.

a. Party and cadre work: The LPRP has performed its duty in leading the people to build the country with dignity. The consolidation of the party apparatuses has been carried out on a regular basis, thus consistently making the party strong. To date, our party has periodically convened congresses for provincial, district, and grass-roots party committees throughout the country. The party committees, party units, and party members have been consolidated by one more step in the organizational, ideological, and political fields.

b. Party management and administrative work: Having implemented the resolutions adopted at the Fifth Party Congress, our government has resorted to consolidating and changing the contents and form of its management and administration to conform to the party's political tasks, particularly by continuing to improve the administrative apparatuses and by changing the names of such apparatuses into other new forms and names, such as [the state into] the government, [chairman of the provincial administrative committee into] a provincial governor, [chairman of the district administrative committee into] a district chief, and [the chairman of the canton administrative committee into] a canton chief and by applying relevant laws to administer and manage them accordingly. Non-essential state-financed organizations have been gradually dissolved. At the same time, more technical personnel have also been assigned to some production establishments and localities.

c. National Assembly work: The Third National Assembly has been democratically elected and convened the second ordinary session with glorious success. The session proceeded with a sense of equality and endorsed the government's report on the implementation of the 1992- 1993 state plan and the draft 1993-1994 socioeconomic development plan. The National Assembly also endorsed a report of the Supreme People's Court on the organization of activities by the people's courts in enforcing laws adopted by the Supreme People's Court. It also endorsed a report of the People's Judiciary Institute on the organizing and implementation of tasks in 1993 and the orientation of tasks of the Third National Assembly in 1994.

d. Mass organization work: When our party and state have changed their leading mechanisms in line with the current political trend, mass organizations have also modified their activities in various forms and have initiated the implementation of their respective tasks along the direction outlined by the party and state. The Federation of Lao Trade Unions recently convened a congress at the central level with brilliant success and adopted a new direction for trade union activities in the new period for implementation. The Lao People's Revolutionary Youth Union and the Federation of Lao Women's Unions are currently making preparations to convene their respective congresses as well.

e. National defense and public security maintenance work: In the past year, we have effectively carried out national defense and public security maintenance work by concretely creating a field position for this work among the entire masses. The entire party, army, and masses have closely studied the poltical policies of the party and state. As a result, the armed forces and entire people are able to more clearly understand and appreciate the national defense policy of the party and state. They are willing to participate more actively in the national defense and public security maintenance work than before. In parallel with the building of political foundations, we have also recorded achievements in carrying out movements to dismantle the nests and positions of the enemies' armed commandos in many important locations.

In building the armed forces, we have concentrated the efforts on implementing the party's guideline which stipulates that, to raise the quality of the three types of the armed forces, we must regard their political quality as a primary concern and constantly enhance the traditional fighting methods of our armed forces.

2. The economic construction and development in our country is currently being carried out at a rapid pace. Implementing the party's and state's policies, many economic branches have been developed in many forms, thus contributing to the overall economic development of the country. They have taken the initiative in carrying out business production and the management of goods distribution. Many economic sectors have been developed for the better. It is predicted that overall domestic production this year will increase by 6 percent.

a. Of the said rate, production in the agricultural and forestry field is expected to increase by 3.5 percent. Timber extraction has been carried out along the direction defined by the party and state. As a result, the wanton cutting of timber has been markedly reduced. At the same time, the movement to plant fruit trees and to replant trees in the forests has become more extensive. People have come to more profoundly realize the importance of forest conservation and a sense of mastership in preserving natural resources. The planting of commercial crops has also been promoted in many localities to meet the material needs of the market to a certain extent. The system of natural and scattered production has been gradually reduced while intensive agricultural production with the use of modern science increasingly developed and promoted.

b. In the industrial field:

Pursuing the direction as put forth by the fifth party congress, it is seen that in 1993, new, considerably high steps of development have been achieved in the work of the industrial field. Noteworthy is the continuation in switching to carrying out the marketing business. In this regard, the state has stopped rendering financial support to state enterprises. As a result, various enterprises, in particular the inefficient ones, have switched to other efficient ownership businesses. In addition, a number of basic natural resources, such as oil, coal, gold, and hydropower resources, have been surveyed in preparation for exploitation in the new step.

In 1993, the industrial and handicrafts production figures have increased by 9.2 percent; electricity production has increased by 17 percent; and the processing industrial production has increased by 10 percent.

c. The volume of service work has increased by 6.9 percent:

The communications, transportation, and postal work has been developed; strategic route 13 has been continuously repaired to serve the traffic in all seasons; and construction work in accordance with foreign cooperation and assistance projects has been continuously carried out. In addition, many roads in many localities have been carefully repaired and further expanded. Of these, national highway no. 13 has been repaired and rebuilt; routes 8 and 20 as well as the road linking Sayaboury and Paklai have been successfully built and repaired in accordance with the plan; the construction plan of the bridge across the Mekong River has been overfulfilled and the construction work has now been nearly 90 percent completed; the construction of the bridge across the Nam Theun has begun; and the surveys of route 12 and the Honla wharf in economic and technical terms have been also completed. The transportaion of goods by land, waterways, air, and sea has also been developed. Joint ventures and private enterprises have rapidly increased in term of quantity. They are now capable of circulating goods and transporting passengers to all provinces throughout the country. The total volume of goods transportation has increased by 8 percent while the volume of circulation has increased by 10 percent in 1993 as compared to 1992.

Postal offices have been expanded to all provinces and districts throughout the country. The number of parcel posts increased by 11.87 percent as compared to 1992. The postal service has been much improved. In the past, parcel posts to Phong Saly Province took more than 30 days while they take some 10 days at present. The communications service is being consolidated, modernized, and raised to another, higher level. More radio transmission stations have been set up to serve the communications requirements in all provinces and 118 districts throughout the country. The implementation of the comprehensive telecommunications project in the second phase has been 50 percent completed. The communications service via satellite has been further consolidated and expanded another step. At present, the satellite communications service can be simultaneously used through altogether 34 channels with as many as 175 countries in the world.

The trade work:

Over the past year, the implementation of the party's line on free, legal trading has gained effective support from the people. Following the implementation of this line, the buying, selling, and trading service situation has become lively. Trading activities have been favorably carried out in many respects. The volume of circulated goods increased by 10 percent. It is estimated that the total value of exported goods in 1993 reaches U.S. $150 million. The state-financing system has been completed eliminated. Various business units have vigorously carried out their activities, thus promoting the trend for overall advancement.

The banking work:

Attention has been paid to macro-adjustment. The level of inflation has been put under control; the exchange rates between kip [Lao currency] and foreign currencies have been stabilized; and the kip currency's buying and selling power has been maintained at the same level as that of the previous year.

The financial work:

Attention has been paid to switching to the new mechanism, in particular to explicitly separating the two management roles and responsibilities, in order to unify the state financial system. The enlarged mechanism has been implemented; the budgets have been positively balanced; the national financial treasury system has been set up; the tax organizational system has been consolidated; and a number of main rules and regulations have been issued with a view to stepping up implementation of the financial and budgetary management work in accordance with the direction of the new mechanism.

3. In the cultural and social field:

a. The educational work. Implementing the direction laid out by the party in the resolution of the fifth Party Congress regarding compulsory education at the primary level, expansion of both public and private schools, and promotion of education for students in the country and abroad, the government has in the past year financed the improvement of schools for general education, vocational schools, and colleges. In addition, it has also revised the curriculum for primary education.

b. The public health work. There has been a trend for continual development of work in the field of public health through the use of all local potentials available plus foreign assistance. In 1993, the statistics of public health establishments throughout the country are as follows:

—a total of 1,246 personnel at advanced and above college levels in various branches of medicine.
—a total of 2,758 personnel at intermediate level in various medical branches.
—a total of 5,417 personnel at primary level in various medical branches.
—a total of eight central hospitals with a combined total of 850 beds.
—a total of 18 provincial hospitals making up 1,987 beds.
—a total of 121 district hospitals comprising 2,221 beds.
—a total of 723 health stations with 2,164 beds.
—an approximate total of 1,480 state-owned and private-run drug stores.
—one advanced-level college of medicine, pharmaceutical, and dentistry.
—a total of three intermediate level medical schools.
—one medical school for various branches.
—a total of three nursing schools.

Apart from these, there are also a number of technical administrative centers: the institute for mother and child; the institute of malaria and parasitology; the institute of health, epidemiology, and provision of clean water; the research institute for herbal medicine; the rehabilitation center for the handicapped; the tuberculosis center; the dermatology center; the eye center; and the medical study and information center. Resorting to their own potentials and additional foreign assistance, doctors and nurses have attentively exerted their efforts to provide people with medical treatment and services. They performed duties particularly in the rural areas, where the spread of diseases such as malaria, lung inflammation, and diarrhea and disentery is often found. They have made these diseases preventible and curable.

c. Rural development has been well taken care of by the party and state authorities. The establishment of a development zone, which encourages people in mountainous areas to shift from highland cultivation to lowland rice farming and promotes stable careers, has progressed gradually but extensively. Hill tribe people have found themselves with new, improved living conditions.

4. The achievements in foreign affairs.

Implementing a policy of increasing friends and reducing enemies, our party and state have expanded relations with other countries in the world by firmly following the principles of peaceful coexistence for peace, freedom and progress, respect for each other's sovereignty, and mutual benefits. Over the past period, our promotion of international relations with other countries has incessantly improved the status of Laos in the international arena. Regarding relations with neighboring countries, our party has implemented a policy of promoting friendship with each of them. It has strengthened long-existing traditional special solidarity and all-round cooperation with Vietnam. This has outstandingly promoted new steps in the development of relations between our two parties, thus allowing them to share a similar attitude toward the world situation.

We have maintained existing good relations with the people and state of Cambodia.

Several factors have made Lao-Chinese relations more prominent, thus resulting in new steps for further development of relations in several fields. With the spirit of mutual respect in independence and sovereignty and the enchancement of traditional frienship between the two countries—Laos and China—the two sides have signed a border agreement, for which the border demarcation is in the process of being carried out.

The implementation of a consistant policy of maintaining neighborly relations with Thailand has enjoyed a new sphere of development. The exchange of visits by high-level delegations of the two countries has become an important milestone for mutual interests, as well as creating good images for both countries in developing relations with other countries in the region and the world.

On this occasion, we have also strengthened the political, diplomatic, and socioeconomic relations with Burma and other ASEAN countries. At the same time, we have also become a member of the Bali Treaty and gained observer status in the ASEAN. Besides, we have exerted our efforts to obtain assistance from and cooperation with industrialized countries, international organizations, and various monetary institutions in the world.

Since the fifth party congress, it can be seen that the party's policy in broadening relations with other countries conforms with the current world situation. Regarding this, foreign investors have come to invest more in Laos in the past year, while international organizations have provided more gratis aids and loans to our country. This can be shown by the number of investment projects in the first six months of 1993, during which 79 projects have produced total investment of U.S. $78 million here. At present there are still a number of major highway expansion projects which are in the stage of negotiations seeking foreign funds.

III. The 1994 Socioeconomic Development Plan

We must concentrate all consolidated efforts on exploiting and utilizing the potentials of the natural resources in our country with a sense of independence, mastery, self-reliance, and self-building, coupled with the promotion of business operations by foreign investors here, such as in agricultural, forestry, and electricity production, in order to expand goods production.

We must concretize the economic structure outlined at the sixth plenary session of the Party Central Committee to vigorously promote domestic production, especially the production of essential goods, such as clothes and household utensils, so as to reduce imports, to basically resolve the shortage of food grains and food supplies, and to store surplus products for future consumption. Therefore, crop cultivation and livestock raising must be linked to the processing industry to meet domestic needs and to produce goods for export. We must increase income for each family, raise the material living standard of the people, and develop their cultural life by improving the educational and public health systems, and preserving and enhancing the cultural traditions of the nation and ethnic people.

1. Strive to fulfill the objectives of the 1993-1994 plan

a. We must ensure that the national economic growth rate this year remains at the same level as that of the previous year as follows:

The overall volume of domestic social production must increase not less than 7 percent compared to the previous year. Of this rate, agricultural and forestry production is set to increase between 5 and 6 percent; industrial and handicraft between 10 and 12 percent; and services between 10 and 12 percent..

The average per capital income must increase between 4 and 4.5 percent compared to the previous year.

b. The annual rate of inflation must be maintained between 6 and 8 percent. The increase of the total value of exports should be between 6 and 7 percent while that of imports not more than 8 percent, especially those goods which can be produced locally, including basic construction materials.

c. To ensure the aforementioned rate of economic growth, the state must increase budgets for building the infrastructure by 31.4 percent compared to the previous year. At the same time, efforts must be made to mobilize domestic investors to invest in goods production.

IV. Direction

1. The party committees at all levels and all party members must hold aloft a sense of revolutionary enthusiasm and creativeness so as to ensure that the party is able to extend its leadership to all fibers of social life and all spheres of work. They must also lead the entire party, army, and masses to create all fundamental factors for gradually marching toward socialism. Therefore, it is necessary that leaders in all services and localities firmly grasp the party's leading role in the new period as well as the reality in all localities and services. They must also understand all state employees and workers in their respective services. At the same time, they must oppose any acts of abusing bureaucratic power and do away with all acts of negativism so as to fulfill all the tasks entrusted by the party and to lead their respective services, organizations, and localities to incessantly march along the path outlined by the party.

2. While the entire party, army, and masses are energetically carrying out their duties outlined by the party, all party members, cadres, state employees, soldiers, and multiethnic Lao people must hold aloft a sense of revolutionary enthusiasm and their faith in the party by transforming all acts of enthusiasm into revolutionary deeds, resolutely implementing the party's policies, and continually and firmly marching along the path chosen

by our party and people so as to fulfill the goal of building Laos with peace, independence, democracy, unification, and prosperity.

Philippines

Ramos Views ASEAN, Foreign Debt, U.S. Trip

BK0612120793 Quezon City PTV-4 Television Network in Tagalog 0630 GMT 6 Dec 93

[Weekly news conference by President Fidel V. Ramos with domestic and foreign reporters at Malacanang Palace in Manila—live; in English]

[Excerpts] [passage omitted] [Correspondent Marichu Villanueva] Good afternoon, Mr. President. First of all, I would just like to know what transpired during your meeting with the deputy prime minister of Vietnam this morning.

[Ramos] The deputy prime minister, His Excellency Tran Duc Luong, was first of all very thankful for the amenities and arrangements made by the Philippines for this third symposium for ASEAN-Vietnam interaction which is now taking place at the Shangri-la EDSA Hotel. As you will recall, I opened that symposium yesterday.

He was also very grateful for the apparent collective desire of the member nations of ASEAN to speed up the accession and then later on the full membership of Vietnam to ASEAN. For my part, I told him that the Philippines has always been cooperative in regard to the development of Vietnam. I recalled to him that even before ASEAN was formally organized, that the Philippines was already doing civic action and community development work in Vietnam. And that, I told him, that we do not see Vietnam as a rival for economic investments, trade, and other forms of economic competition, but as a partner for the enhancement of economic progress in our part of Asia and the Pacific, meaning Southeast Asia.

I also reiterated to him the need for maintaining stability and peace and order in the islands of the South China Sea which must be ensured through peaceful consultation, cooperative dialogue, which hopefully would lead to the joint exploration and development of the resources in that area.

[Villanueva] Any mention, sir, about the forthcoming peace talks of the government with the NDF [National Democratic Front]?

[Ramos] Well, I also thanked him for the already proferred offer on the part of his government to host the next round of talks with the NDF. This stage, it's the NDF that still has to give a categorical response as to whether or not the meeting indeed can take place in Vietnam. But, in any case, we made sure that we expressed our appreciation to the deputy prime minister. [passage omitted]

[Unidentified reporter] Senator Nikki Coseteng warned that our foreign debt might reach $48 billion by the end of your term. She also claimed that our government had been overborrowing from foreign financial institutions. Would you care to comment on this, sir?

[Ramos] At this stage, I think that is just a prediction which is speculative at best. But what is important is for a borrower to be able to pay for his loan or his debt, and so I say that the Philippines is now in a much better position to manage our foreign debt, including our domestic debt. And so I think that some people are being misled by thinking that being in debt is bad per se. I think all countries in the world have huge debts, both domestic and foreign, but because some have been able to manage their debts properly, they're able to use the money that was borrowed profitably and for the most urgent needs of their people That is what we intend to do in this administration.

In fact, if you will review the policies that have been put in during the last 18 months, we have moved far ahead of the expectations of some. We have been able, for instance, to restructure the Central Bank of the Philippines. We have been able to reduce our commercial debt component to a much more manageable level compared to, say, two years ago. We have also been able to reduce the component of our export earnings to service our debt from something like 38 percent in previous years to about 17 percent now. In other words, while we have debts, we have been able to restructure those debts, the terms of which were rather onerous, into more manageable conditions. I must also point out that we have exercised fiscal restraint in this administration and that we continue to consult and dialogue with both houses of Congress so that we continue narrowing the fiscal gap. Now, among the key measures that have been undertaken by the administration, which were more or less neglected, I would say in the past, is the very serious campaign to go after tax evaders—the very relentless effort to get everybody to pay his tax obligations, thereby broadening our tax base and improving the so-called tax effort beyond the 14 percent where it is now.

We have also restructured the Bureau of Internal Revenue [BIR], both in terms of their organizational set-up and the assignment of key personnel, and we have tasked the BIR, and they are already starting to do it to come up with at least one criminal case for tax evasion per 97 revenue districts. In fact, the revenue districts are also being increased now. So very soon we hope to get more cases of this nature from the Bureau of Internal Revenue. [passage omitted]

[Unidentified reporter] As a result of your visit to the land of milk and honey [United States], a World Bank mission and other trade missions are coming. What prospects are in store for us from this visit?

[Ramos] I would say pretty good, because we are receiving a major one, headed by Ambassador Elliot Richardson, and then a week after that another big one headed by former Secretary of State George Shultz who is now connected with Bechtel. We have also Thai coming up; we just talked to a group from Northern Australia; we are also being requested to schedule several other trade missions or trade delegations within the next two weeks. This could be partly the result of our 14-day working visit to the United States, but it could also be the result of previous initiatives wherein whatever be the case, our neighbors from all over are seeing that the Philippines indeed is a better place now as compared to previous years to invest, to visit and to trade with.

'Muslim Gunmen' Release American Linguist

BK0712132393 Hong Kong AFP in English 1316 GMT 7 Dec 93

[Text] Manila, Dec 7 (AFP)— An American linguist kidnapped by Muslim gunmen in the southern Philippines three weeks ago was freed late Tuesday, Philippine Air Force chief Lieutenant-General Leopoldo Acot said.

Charles Walton, 60, of Philadelphia, was handed to Vice President Joseph Estrada at 7:30 p.m. (11:30 GMT) in Jolo province on the country's southern tip, Acot said in Manila.

Impeached Chairman Forms New Leftist Group

BK0612020493 Quezon City MALAYA in English 30 Nov 93 p 6

[By D'Jay Lazaro]

[Text] The rift within the Kilusang Magbubukid sa Pilipinas [Peasants Movement of the Philippines] has slowed down as the faction of paroled peasant-leader Jaime Tadeo yesterday declared "peaceful disengagement" with the hardline group of Rafael Mariano.

Tadeo, in a press conference, said his group has also formally adopted a new name called "Demokratikong Kilusang Magbubukid ng Pilipinas" (DKMP) [Democratic Peasants Movement of the Philippines] following a resolution made during a four-day national congress.

He said DKMP will sport a "new image" which will deal mainly with socio-economic projects for the benefit of its members. There is a need, he added, for such "transfiguration or a change in strategies and tactics" particularly in organizing farmers and fishermen because of the new social conditions. "Sa mga nagdaang taon, napudpod na ang tsinelas ng mga magsasaka at mangingisda sa pakikipaglaban para sa tunay na repormang agraryo ngunit wala pa ring nangyayari. Makabubuti na kailangang bumili na kami ng panibagong tsinelas para kami'y makalakad muli nang maayos [The peasants and fishermen had already worn out their sandals in fighting for genuine agrarian reform in the past years, yet nothing has happened. Now, we need to buy new pairs of sandals so that we can carry on the fight effectively]," Tadeo said.

The congress elected Tadeo as DKMP chairman, and Nilo Oracio, treasurer.

Aircraft Production Venture With Italian Firm

BK0712075193 Manila THE MANILA CHRONICLE in English 3 Dec 93 p 13

[By Leticia P. Perez]

[Text] The state-owned Philippine Aerospace Development Corporation (PADC) has signed a deal with Italian aircraft maker Augusta to manufacture 15-seater Filipino planes to be marketed in the Asian region.

Jesus B. Garcia Jr., Department of Transportation and Communications (DOTC) secretary, yesterday said the deal is an attempt to put the Philippines back on track in the aviation business. It also enforces President Ramos' challenge to make the Philippines the jump-off point in Asia.

The aircraft units to be manufactured are expected to fly the short-distance Asian routes, a growing market.

Decades ago, the Philippines had the first airline in Asia. Filipinos were, and still are, also known to have the skills for developing aircraft, Garcia said.

"We were ahead," he said. "We had the first airline in Asia."

He cited that current Air Transport Office (ATO) Assistant Secretary (Captain) Panfilo Villaruel was part of the team which designed and developed the Filipino aircraft. However, lack of resources and support failed to make the project fly, Garcia said.

This time, he said, PADC and Augasta will share resources and come out with the first Philippine airplane, Garcia said.

Garcia said PADC will share its technical expertise and the Italian partner will share the technology.

"There will be a 100 percent technology transfer," he said.

The aircraft parts, which the country cannot produce, will be imported with the help of Augusta. The Italian partner is expected to lend funds or sell the spare parts to PADC.

"The contract is still being ironed out," Garcia said, but the deal includes the manufacture, maintenance and marketing of the Filipino plane.

PADC in effect will be the exclusive distributor of the aircraft units in the Asian region.

Thailand

'Massive' Khmer Rouge Arsenal Found Near Border

BK0812005393 Bangkok THE NATION in English 8 Dec 93 p A1

[Text] Police yesterday uncovered a massive arsenal of war weapons, described as enough to defend a small country and allegedly destined for the Khmer Rouge. The arms included 13 heavy artillery pieces and millions rounds of ammunition. Police said the haul was the largest in recent Thai history.

Pol Lt Gen [Police Lieutenant General] Thanu Homhuan, commissioner of the Central Investigation Bureau, said last night the area in Makham district of Chanthaburi province area where the arms cache was found was "rumoured" to be a military zone.

"The amount of arms seized was enough to defend a small country," he said.

Military experts were yesterday called in to try to find out where the weapons came from. Meanwhile, heavily-armed police were deployed to guard the arms cache.

Police located the arsenal after questioning seven men who were arrested early yesterday morning in Chanthaburi's Pong Nam Ron district. They seized about five tonnes of war weapons that were loaded onto a truck and were believed to be destined for the Khmer Rouge in Cambodia. One of the suspects told police he was a Khmer Rouge fighter and the weapons were being moved from a cache in Chanthaburi to the Marxist faction in Pailin, the Khmer Rouge's main stronghold opposite Chanthaburi.

After announcing the discovery of the weapons to a press conference in Bangkok, Police Director General Pol Gen [Police General] Prathin Santipraphop flew with a team of senior police officers on two helicopters to inspect the arms cache in Makham district. The arsenal was hidden in a 12-room one-storey farmhouse, measuring 10 metres wide and 40 metres long and located behind a cattle breeding centre at Baan Tanot in Tambon Tha Luang.

The astonished police officers found 13 105-mm cannons, hundreds of mortars and tens of thousands of boxes containing ammunition for AK-47 assault rifles and .50-calibre heavy machineguns, rocket-propelled grenades and heavy artillery and mortar shells. The exact amount of the assortment of ammunition and shells was not immediately known, but police estimated that the AK-47 ammunition alone would run into the millions.

Ten families, including seven small children, lived in the same compound as the farmhouse and police said they believed the villagers were paid to look after the arms cache. All of the adults were last night detained by police for questioning.

Prathin said police were waiting for military experts to count and determine the origin of the weapons.

Border areas in Chanthaburi are tightly controlled by marine units from the Chanthaburi-Trat Task Force who are enforcing martial law.

The task force last night called an urgent meeting with top provincial officials and police commanders, but details of their talks were not immediately known.

Police who intercepted the truck near the Thai-Cambodian border early yesterday said the five tonnes of weapons were hidden under sacks of rice.

The suspect who identified himself as a Khmer Rouge fighter, Comrade Rit, 40, told a police press conference later in Bangkok that the weapons belong to Khmer Rouge military commander Gen Son Sen and were being taken to Pailin.

Rit said he was sent by his field commander in Pailin to get the weapons from the cache.

The six Thai suspects were identified as truck driver Banyong Chintana, 42; Bowon Kayankit, 25; Anantasak Suwanwong, 32; Amnat Sitthising, 21; Charoenchai Sichan, 21; and Chatchai Kiriyakit, 26. The truck was stopped on Road 317 in Chanthaburi's Pong Nam Rot district.

The seized weapons included 103 M-120 mortar shells, 46 anti-tank M-62 rockets, 490 rocket-propelled grenades, 990 M-46 hand grenades, three M-60 machineguns that can be used as antiaircraft weapons and 90 rolls of bomb fuse.

The Chinese-made weapons looked new. Judging by the serial numbers, they had been hidden in Thailand for quite a long time, a Thai weapons expert told the news conference.

Deputy Premier on Arms Cache

BK0812071293 Bangkok Radio Thailand Network in Thai 0530 GMT 8 Dec 93

[Text] Speaking to newsmen this morning at the Shang-rila Hotel after opening an international seminar on quality control systems, Deputy Prime Minister Banyat Banthatthan said yesterday's police seizure of a large cache of war weapons in Chanthaburi Province was the result of a long investigation. The seizure corresponds with the prime minister's policy on the elimination of war weapons because of its effect on relations with neighboring countries and its effect on Thailand's internal security. The seizure demonstrates the government's sincerity toward the Cambodian Government. It will also create confidence on the part of the Cambodian Government and will show that Thailand has no part in supporting the Khmer Rouge.

Regarding to whom the arsenal belongs, Banyat said the matter will have to be verified by the officials concerned. Speculation on the matter should be discouraged

Government May Amend U.S. Amity Treaty

BK0812004593 Bangkok THE NATION in English 8 Dec 93 p B5

[Text] The government is considering whether to amend the bilateral treaty made in 1966 with the United States, which provides privileges to American citizens doing business in the country. Certain agreements under the treaty are said to run counter to the principle of equal treatment in multilateral free trade.

The International Economic Policy Committee, chaired by Deputy Prime Minister Suphachai Phanitchaphak, will consider at the next meeting a set of recommendations based on recent hearings about the revision of the 1966 Treaty of Amity and Economic Cooperation. The recommendations will serve as guidelines for the government's decision on the treaty.

The move marks the first official step by the Thai government in the revision of the treaty after a series of rumours and speculation that the Thai government would do so.

Dr Thira Phongmakaphat, Suphachai's adviser, said he will ask the government to develop a clear role for the treaty in the current environment. The treaty was made when the Indochinese countries faced the threat of communism. The situation has changed.

Since the end of the cold war era, the regional defence role of the US is not important enough to sacrifice equality in the overall relationship with the country.

Moreover he said the government should consider the reciprocal benefits the treaty provides for Thais. The treaty appears favour the interests of American citizens, as it fails to define clearly areas of interest to Thais such as textiles.

On November 23 the Cabinet assigned the Foreign Ministry and other agencies involved come up with guidelines for action on the treaty.

Thira said that the attendants of recent hearing sessions were divided as to whether to revoke or extend the bilateral Treaty of Amity.

Proponents think the Treaty should be maintained as a symbol of the longstanding political relationship between Thailand and America, and also to promote Thai investment in the United States.

Opponents, however, argue that in the current global environment economics plays a more significant role in international policy than it did at the time the treaty was made. The government, they say, should amend the treaty in compliance with the most-favoured-nation principle as required in the current final draft act of the Uruguay Round of multilateral trade talks, under the auspices by the General Agreement on Tariffs and Trade (Gatt). Almost all of the final act must be adhered to regardless of the success of the round.

Gatt is requiring its members to offer concessions involving the right to undertake business activities within each member country to all, not favouring any particular country over another.

The Treaty of Amity gives Americans the right to do some businesses which the Alien Business Law prohibits other foreign citizens from doing in Thailand.

Opponents of treaty think that certain articles in the treaty run counter to domestic law as well.

Made to assure the country's political stability during the Vietnam war, the Treaty of Amity has turned in to a vehicle for American arm-twisting to push Thailand into concessions liberalizing the service sectors. And although it provides for reciprocal treatment, the difference in size between the Thai and American economies has put Bangkok at a disadvantage.

Thailand and the United States have been locked in a dispute as to whether Universal Insurance, more than 90-percent owned by American International Group, should be allowed to convert its 11 representative offices into branches. Although the Insurance Law does not allow foreign insurance firms to open branches other than their headquarters in Thailand, Washington is citing privileges granted under the Treaty of Amity and is pushing for Thailand's compliance. The government must consider how it will respond.

Saudi Envoy Calls on Assembly Commission

BK0812090993 Bangkok SIAM POST in Thai 8 Dec 93 p 4

[Editorial: "The Saudi Charge d'Affaires Complains Again"]

[Text] On 2 December Saudi Charge d'Affaires Mohammad Sa'id Khujah took on a new role when he called on the House Foreign Affairs Commission over the missing Saudi jewelry.

According to Dr. Krasae Chanawong, chairman of the commission, the Saudi charge said he was calling on the commission in his capacity as head of his country's delegation to follow up on the missing jewelry issue.

Although Khujah is the charge d'affaires of Saudi Arabia, on this occasion he claimed that he was heading a delegation from his country. In the past, he has expressed opinions on Thailand that were unsuitable to his diplomatic status and has been rebuked by a senior Thai Foreign Ministry official for this.

Khujah's conduct of claiming the basic right of a plaintiff to express opinions about the missing jewelry is certainly strange. Although he was heading the Saudi delegation, he invoked his diplomatic privilege to enter the parliament building and the other offices he chose to visit. The Thai Government had no choice but to receive and protect him as the Saudi charge wherever he went. It is worth noting that similar to previous occasions, he violated diplomatic etiquette during his call on the house commission by making accusations against Thai Government officials and agencies.

He informed Dr. Krasae that the information that he used to receive from the Police Department has dwindled to the point that there is now not enough evidence for prosecution. He also asserted that the three bags of jewelry returned to Saudi Arabia constituted only one-fourth of the amount that was stolen and that the missing jewelry got lost at the police department.

Although Khujah claimed that he was not accusing policemen of theft, he insisted that the retrieved jewelry was handled by policemen. This only confuses and damages the Thai Government.

We feel that it is time for the Foreign Ministry to reach an understanding with the Saudi charge and listen directly to his opinions about the missing jewelry and other issues to avoid further damage to the country.

Increased Rice Exports From Vietnam Noted

BK0612032593 Bangkok BANGKOK POST in English 6 Dec 93 p 24

[Text] Vietnam, currently the third largest rice exporter after Thailand, is set to displace the United States and move into second place, according to the Department of Business Economics. Production efficiency and quality have benefited from cooperation with foreign countries, the department says.

Japan has experimented with the growing of good quality rice in Vietnam, enabling it to develop its quality faster, and the country may yet be in a position to export rice to Japan.

Malaysian businessmen have reached an agreement with the Vietnamese to mill rice and to improve quality with a view to making Vietnam a greater source of Malaysian rice imports.

Vietnam's rice planting area of 39 million rai is lower than Thailand's 60 million, but it can produce up to 20-21 million tons of paddy, almost equivalent to Thailand's production. This is because of the fertility of the planting area, which can yield up to 550-560 kilogrammes of paddy/rai.

In most planting areas of Vietnam two to three crops can be planted per year. The quality of Vietnamese rice is also improving because the authorities have been focusing on research and development.

Exports of Vietnamese rice rose 37.32 percent from 1.42 million tons in 1989 to 1.95 million tons in 1992. In the first nine months of this year exports were 1.25 million tons, up 6.8 percent on the same period last year.

Vietnam has increased its shares in the Malaysian, Iraqi, Senegalese and Mexican markets, among others whereas Thailand's shares are down. At one time Thailand accounted for 94-95 percent of Malaysian rice imports, but last year the figure was 41 percent. Vietnam's share was 55 percent, up from 2-9 percent.

Group To Develop Philippines Telecommunications

BK0612030593 Bangkok BANGKOK POST in English 6 Dec 93 p 15

[Text] Chinnawat Group is expanding its regional business a step further by entering a joint venture to develop the Philippines' largest telecommunications project. Chinnawat (Thailand) and Isla Com Corp of the Philippines will sign an agreement today for a joint investment of 30,000 million baht in a project to install 700,000 telephone lines.

The signing ceremony, which will take place at Malacanang Presidential Palace in Manila, will be presided over by Filipino President Fidel Ramos, with top executives of both companies taking part

A source said the Filipino President will sign his name as a witness to this first telecommunications contract between Thailand and the Philippines.

The president of the Chinnawat Group, Bunkli Plangsi, and the president of Chinnawat Satellite Somprasong Bunyachai, will represent the group in signing the joint venture contract. Isla Com will be represented by its president, Ricardo C. Delgado.

Also signing as witnesses from both countries will be the chairman of Isla Com, Francisco C. Delgado, and the chairman of Chinnawat International, Dr Phaibun Limpaphayom.

Under the agreement, Chinnawat Group and Isla Com will set up a joint venture company to develop 700,000 telephone lines to be provided throughout the Philippines. Chinnawat Group will hold 30 percent of the shares in the joint venture and the remaining 60 percent will be held by Filipinos, the source said. The Chinnawat Group will use its international investment arm, Chinnawat International Co, to hold the shares in the Philippines project.

The joint venture firm will have a capitalisation of US$200 million and will later be listed on the Philippines stock exchange, the source said.

Under the plan submitted by the Chinnawat Group to the Philippines' Transport and Communications Ministry in August this year, the project will also develop a local telephone network, an international telephone network through satellite and other valued-added services.

Chinnawat plans two satellites, each containing 12 transponders comprising a C-band and the more powerful Ku-band for broadcasting purposes. The slots of the two satellites will be above the Philippines. The relevant technology will be provided by Hughes of the United States and Ariane of France, according to the Chinnawat proposal.

Chinnawat has proposed that 85 percent of the project's investment would be financed in terms of loans from the US Export- Import Bank, with the remainder coming from equities.

If the launch goes through, the two communications satellites will be the first above the country, which currently relies on Indonesia's satellite network.

General Hails Crackdown on South Separatists

BK0812010193 Bangkok THAILAND TIMES in English 8 Dec 93 p A3

[Text] Narathiwat—Fourth Army Region Commander Kitti Rattanachaya said yesterday the concerted crackdown by the military on separatist movements in the South has forced a considerable number of guerrillas to surrender to the authorities.

Lt-Gen Kitti claimed large numbers of guerrillas belonging to the outlawed Barisan Revolusi Nationale (BRN) and the Pattani United Liberation Organisation (PULO) separatist movements have recently turned themselves in to the governor of Yala province due to the stiff pressure put upon them by the military operation. This success, he said, was a reflection of the "leave no stone unturned" policy adopted by the armed forces in tackling the southern problem.

Referring to the unresolved arson attacks on over 30 schools in the three southernmost provinces three months ago, Kitti said the investigation has yielded some clues that could lead them to the masterminds behind the sabotage.

Four suspects already arrested in connection with the arson attacks all pleaded not guilty.

Meanwhile, Kitti said he will lead a Thai delegation to the Malaysian state of Penang on January 16 to meet with his Malaysian counterpart Lt-Gen Datoh Ayu Jama. The Thai military top brass is expected to seek cooperation from Malaysian military in suppressing the guerrillas.

In the past guerrillas were able to sneak across the Thai-Malaysian border quickly and without much difficulty. As a result the military found it very difficult to apprehend them.

However, Kitti was very optimistic over the prospects of reaching an agreement with Malaysia, particularly as Thailand previously cooperated with Malaysia over the suppression of Malay communist activities. The commander said he will also discuss with the Malaysian officials PULO faction leader Haji Do-oh Thanam's denial that PULO were responsible for the attacks. Haji issued statements in Kuala Lumpur and Kelantan recently which were published in both the Thai and foreign press.

In a related development, a zone 3 educational centre in Songkhla province was torched yesterday morning. While the blaze was quickly brought under control, many documents on the second floor of the building were destroyed in the 15 minute fire. Police found a mosquito repellent stick and a petrol soaked rag at the scene, indicating the blaze was probably the work of an arsonist.

Songkhla Governor Yuwat Wutthimethi, after questioning a guard at the centre, was noncommittal. He said the incident took place in a heavily populated area, which made it a very difficult target for an arsonist. However, chief of the centre, Manun Racharot ruled out the possibility of an electrical fault as the cause of the fire, as he had earlier ordered technicians to check all the electrics in the building. He said he had been forewarned by villagers that there would be an arson attack on a government installations, but had not believed the centre would be a target.

Vietnam

Radio Reviews Cooperation in MIA Issue

BK0812114093 Hanoi Voice of Vietnam in English 1100 GMT 8 Dec 93

[Station commentary]

[Text] Vietnam always regards the MIA [Missing in Action] issue as the humanitarian issue. It is not linked to any political conditions. Vietnam advocates settling of the issue at an early day. It has actively cooperated with the Americans. Following is our radio review of the issue.

Early this month, U.S. civil and military experts together with their Vietnamese, Lao counterparts conducted a joint search around the Ho Chi Minh Trail where there were alleged reports of Americans killed during the war. The joint team conducted researches along either side of the Vietnam's border. This is part of President Clinton's priority in identifying the fate of 2,248 missing Americans during the Vietnam war. American officials said the joint team, this time, focussed on investigating 36 cases that were reported missing in Laos and 24 others along the Ho Chi Minh Trail.

The Vietnamese state and other relevant offices have tried their best to solve it. The Vietnamese Government has called all Vietnamese people throughout Vietnam to help in the search for MIA. Initial success has been recorded in the cooperation.

Overall, 26 searches have been conducted. The last search was conducted on the large scale, covering 19 provinces and hundreds of reported cases and many sets of remains alleged to be American were found. The search conducted in Minh Hai Province proved that there has been no live sightings of the Americans there. The American team spoke highly of Vietnam's active cooperation.

Since March 1974, Vietnam has, on 47 occasions, returned to the Americans nearly 600 remains. U.S. Senator Murkowski, a member of the Asia-Pacific Sub-Committee at the Veterans Affairs Committee of the U.S. Senate, said: Vietnam-U.S. relations have seen so much changes, including Vietnam's active cooperation in the settlement of the MIA issue.

Chinese Military Delegation Concludes Visit

BK0812143593 Hanoi VNA in English 1340 GMT 8 Dec 93

[Text] Hanoi VNA Dec. 8—A delegation of the General Political Department of the China People's Liberation Army led by its director Sr Lt Gen. Yu Yongbo left Ho Chi Minh City today, winding up a six-day friendship visit to Vietnam.

While here the delegation was received on separate occasions by party General Secretary Do Muoi and Minister of Defence Gen. Doan Khue. It held talks with a delegation of the General Political Department of the Vietnam People's Army and toured some Army units and several cultural and economic establishments in Vietnam.

Tran Duc Luong on Cooperation With ASEAN

BK0712070993 Hanoi VNA in English 0545 GMT 7 Dec 93

[Text] Hanoi VNA Dec. 7—Vietnam has reaffirmed its policy of promoting the multi-sided cooperation with ASEAN and peaceful negotiations in resolving regional disputes.

This was stated by Deputy Prime Minister Tran Duc Luong at the 3rd International Symposium on ASEAN-Vietnam All-Round Cooperation held recently in Manila.

The three-day symposium was aimed at furthering the process of confidence building and mutual understanding between the ASEAN and Vietnam.

The Vietnamese head delegate highlighted his country's foreign policy with high priority to further developing its relations with neighbour countries, including the ASEAN. He reiterated Vietnam's determination to strengthen the multi-sided cooperation with the ASEAN group in general and with each of its members in particular. He said Vietnam was ready to join the six-nation regional alliance at a convenient time and to attend the Asian regional forum on political and security issues as well as the bilateral and multilateral dialogues between countries in the region in order to find out effective solutions to ensure peace, stability and security in the region.

Deputy Prime Minister Tran Duc Luong expressed his hope that this symposium would make active contributions to the confidence building, lasting friendship and all-round cooperation between Vietnam and ASEAN with a view to turn Southeast Asia into a prosperous region of peace, stability, cooperation and development.

TV Relay Station Donated to Troops on Spratlys

BK0612112793 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 3 Dec 93

[Text] The Navy held a ceremony in Haiphong on 1 December to accept equipment for a via-satellite television relay station that was presented as gift by cadres and workers of the Hai Hung Provincial Road Management Enterprise to soldiers stationed on Tien Nu Island in the Spratly archipelago.

On behalf of some 2,000 cadres and workers of the cadres and workers of the Hai Hung provincial road management enterprise, Comrade Nguyen Hoang Chuong, director of the enterprise, presented the equipment to Vice Admiral Le Van Xuan, secretary of the Party Committee of the Navy, who accepted the gift on behalf of the Spratly troops.

This is a gift of friendship that some 2,000 cadres and workers of the Hai Hung Provincial Road Maintenance Enterprise had purchased with their wages to present to soldiers stationed on the furthest island in the eastern part of the Spratly archipelago.

The Tien Nu is the 10th island on the Spratly archipelago to have been equipped with this audio-video facility, while many other islands still do not have any. It is hoped that the state, various sectors, and economic units will think of the Spratlys.

Official 'Satisfied' With Hungarian Visit

AU0412151493 Budapest MAGYARORSZAG in Hungarian 3 Dec 93 p 3

["T.D.K."-signed interview with Hoang Bich Son, chairman of the Foreign Affairs Committee of the Vietnamese National Assembly, in Hanoi; date not given: "Vietnam Hopes To Restore Cooperation"]

[Text] A delegation of the Vietnamese National Assembly, led by Foreign Affairs Committee Chairman Hoang Bich Son, paid a working visit to Hungary in November. Upon his return, the delegation head gave an interview to our correspondent in Hanoi.

[NEPSZABADSAG] How would you evaluate your delegation's visit to Hungary?

[Hoang] We are satisfied with the visit that has contributed to restoring cooperation between Vietnam and Hungary, including cooperation between the two parliaments.

[NEPSZABADSAG] What prospects do you see for bilateral cooperation?

[Hoang] There are many opportunities for restoring and developing our bilateral relations. In expanding our cooperation, it is favorable for us that, just like the Hungarians, we are also gradually shifting to a market economy. Vietnam is working on creating a constitutional state and, therefore, we would like to strengthen the cooperation between the two parliaments.

[NEPSZABADSAG] What were your impressions from the changed Hungarian political regime?

[Hoang] The regime can change in every country. However, the people do not change; nor will the friendly relations between the Hungarian and Vietnamese people, relations that developed long ago. We enjoyed the welcome and love of our Hungarian friends everywhere we went. This was the deepest impression we had during the visit.

Uzbek Official Meets With Foreign Minister

BK0612153393 Hanoi VNA in English 1514 GMT 6 Dec 93

[Text] Hanoi VNA Dec. 6—The assistant to the foreign minister of the Republic of Uzbekistan, O.M. Mukhamedanov, today concluded a week-long official visit to Vietnam as guest of the Vietnam's Ministry for Foreign Affairs.

During his stay here, the Uzbek diplomat was warmly received by Foreign Minister Nguyen Manh Cam, held sessions with Assistant to the Foreign Minister Nguyen Dinh Bin, and concerned offices and departments. He expressed his wishes for the promotion of the friendly relation and cooperation between the two countries in the new situation. The two sides discussed how to develop the relations between Vietnam and Uzbekistan.

The Uzbek assistant to the foreign minister paid tribute to President Ho Chi Minh at his mausoleum and visited several economic and cultural establishments.

36,882 SRV Refugees Repatriated From Hong Kong

BK0612111993 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 4 Dec 93

[Text] The Hong Kong authorities recently repatriated the 183th group of Vietnamese refugees comprising 268 persons from the crown colony under the voluntary repatriation program sponsored by the UNHCR.

Thus far this year, 10,570 Vietnamese refugees have been repatriated under this program. Since the implementation of the program in March 1989, a total of 36,882 Vietnamese refugees have been repatriated.

'Promising' Market for Foreign Telecom Suppliers

BK0412012493 Hong Kong AFP in English 0120 GMT 4 Dec 93

[By Philippe Agret]

[Text] Hanoi, Dec 4 (AFP)—Telephone booths that use magnetic cards instead of coins are making their debut in Vietnam's capital, symbolizing the nation's headlong rush to modernize its telecommunications systems.

For foreign telecoms suppliers, Vietnam is nothing less than a gold mine of opportunities—and they have been rushing to set up offices and compete for contracts.

"The market is very promising, but still of modest size due to the lack of financial resources," said Jacques-Noel Giacomoni, the Hanoi representative of France's Alcatel.

The government plans to invest 800 million dollars in telecommunications by the end of the decade, a sum Giacomoni feels is "insufficient for the immense needs" of a nation of 72 million people.

"There is still a great effort to be done," he said.

Vietnam now has only 220,000 telephone lines installed. By 2000, it hopes to add up to two million more—despite the fact that the international aid donors, such as the World Bank, do not regard telecommunications as a priority sector.

France's Schlumberger and Malaysia's Sapura are competing head-on by installing public telephones that use stored-value cards—eliminating the need to search for loose change to make a call.

Thirty of Schlumberger's "smart card" booths are being installed in downtown Hanoi on an experimental basis, and should be ready to go into service by the end of December.

Sapura is meanwhile putting up 25 booths and 50 public telephones which employ magnetic-strip cards. Both ventures are being carried out in cooperation with Vietnam's postal and telecommunications authority.

The cards are sold at hotels and post offices for as much as 300,000 dongs (27.50 dollars), to be used for international as well as local calls. One local call now costs 1,000 dong.

This past week, about 70 companies from around the world have been showing their wares at Hanoi's second telecoms trade fair—double the number of exhibitors last year.

One of the most impressive displays was put up by Motorola of the United States, which aims to launch Vietnam's first national pocket- pager service next year—if Washington lifts a long-standing economic embargo.

The first "beepers" appeared last year in Ho Chi Minh City, following an agreement between local authorities, Thailand's Phonelink Co. Ltd. and Singapore Telecom International.

Alcatel, which has installed 130,000 telephone lines since 1988, is expanding into cellular telephones and digital telephone exchanges, while another French company, TRT, a unit of Philips, signed two contracts this year to supply 73 rural telephone networks.

Japan's NEC and Germany's Siemens have meanwhile embarked on a 22 million dollar joint project to modernize Hanoi's telecommunications system.

NEC also has a 4.3 million dollar contract, signed in August, for digital equipment that will lead to 15,000 new circuits in Ho Chi Minh City, Vietnam's commercial center formerly known as Saigon.

Sweden's Ericsson, Australia's Telstra OTC and South Korea's Goldstar are also present, while Canada's Northern Telecom has waded in by opening its first representative office in Vietnam.

"The competition is very, very tight. All the giants of telecommunications are battling to get into the market," Alcatel's Giacomoni said. (Endall) 040120 ASheron/pj AS500412.002 04/0129z Dec 537 WC BT #0302 NNNN

Reportage on National Assembly Continues

Assembly Proceedings for 7 Dec

BK0712134393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Dec 93

[Report by station correspondent Dinh Khai]

[Excerpts] Dear friends, this morning, 7 December, the Ninth National Assembly's fourth session continued its work at the Ba Dinh Conference Hall in Hanoi under the direction of its Chairman Nong Duc Manh.

In the morning session, the National Assembly heard:

—Foreign Minister Nguyen Manh Cam, report on our state's foreign affairs activities in 1993 and orientations for 1994;

—Comrade Mai Thuc Lan, chairman of the National Assembly Economic and Budget Committee, report on the implementation of socioeconomic tasks in 1993 and orientations and tasks for 1994, implementation of the 1993 state budget, the 1994 state budget estimates, and the final accounts of the 1992 state budget;

—Comrade Y Ngong Niek Dam, chairman of the National Assembly Nationalities Council, report on some issues related to regions inhabited by ethnic minorities and socioeconomic tasks for 1994;

—Comrade Ha Manh Tri, chairman of the National Assembly Judiciary Committee, report on anticorruption and antismuggling activities;

—Comrade Trinh Tran, vice chairman of the National Assembly Defense and Security Committee, report on efforts to consolidate and strengthen national defense and security; and

—Comrade Tran Thi Tam Dan, chairwoman of the National Assembly Culture, Education, Youth, Teenager, and Children's Committee, report on the implementation of tasks in 1993, plans for the 1994-95 two-year period, and the 1994 plans for cultural, education, youth, teenager, and children's activities.

[Passage omitted on some main points of these reports] Dear friends, at the afternoon session, the National Assembly heard:

—Comrade Nguyen Thi Hoai Thu, deputy chairman of the National Assembly Committee for Social Issues, report on efforts to resolve problems related to unemployment, population, and social vices;

—Comrade Phan Thu, deputy chairman of the National Assembly Science, Technology, and Environment Committee, report on activities of the Scientific, Technological, and Environmental domains in 1993 and orientations and tasks for 1994;

—Comrade Hoang Bich Son, chairman of the National Assembly Foreign Relations Committee, report on our state diplomatic activities in 1993 and orientations and tasks for 1994;

—Comrade Pham Hung, chief judge of the Supreme People's Court [SPC], report on activities of the SPC in 1993; and

—Comrade Le Thanh Dao, chief procurator of the Supreme People's Organ of Control [SPOC], report on activities of the SPOC in 1993.

Tomorrow, National Assembly deputies will hold group discussions on the implementation of National Assembly resolutions in 1993 and orientations and tasks for 1994.

Communique No. 2 Issued 7 Dec

BK0712151593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Dec 93

[Communique No.2 issued by the Ninth National Assembly's fourth session in Hanoi on 7 December]

[Text] On 7 December, the Ninth National Assembly's fourth session held a plenary meeting at the Ba Dinh Conference Hall in Hanoi under the direction of its Chairman Nong Duc Manh.

The National Assembly heard:

—Foreign Minister Nguyen Manh Cam, report on our state's foreign affairs activities in 1993 and orientations for 1994;

—Comrade Mai Thuc Lan, chairman of the National Assembly Economic and Budget Committee, report on the implementation of the tasks in 1993, work results during the 1991-93 period, socioeconomic orientations and tasks for the 1994-95 period, the 1994 state budget estimates, and the final accounts of the 1992 state budget;

—Comrade Y Ngong Niek Dam, chairman of the National Assembly Nationalities Council, report on some issues related to ethnic minorities in the mountain regions concerning the implementation of the socioeconomic tasks for 1994;

—Comrade Ha Manh Tri, chairman of the National Assembly Judiciary Committee, report on situation and results in the struggle against corruption and smuggling in 1993, and lines and policies for this task in 1994.

—Comrade Trinh Tran, vice chairman of the National Assembly Defense and Security Committee, report on efforts to consolidate and strengthen national defense and security in 1994;

—Comrade Tran Thi Tam Dan, chairwoman of the National Assembly Culture, Education, Youth, Teenager, and Children Committee, report on the implementation of tasks in 1993, plans for the 1994-95 two-year period, and the 1994 plans for cultural, education, youth, teenager, and children activities.

—Comrade Nguyen Thi Hoai Thu, deputy chairman of the National Assembly Committee for Social Issues, report on the situation and efforts to resolve problems related to unemployment and social vices;

—Comrade Phan Thu, deputy chairman of the National Assembly Science, Technology, and Environment Committee, report on activities of the Scientific, Technological, and Environmental domains in 1993 and orientations and tasks for 1994;

—Comrade Hoang Bich Son, chairman of the National Assembly Foreign Relations Committee, report on our state diplomatic activities in 1993 and orientations and tasks for 1994;

—Comrade Pham Hung, chief judge of the Supreme People's Court [SPC], report on activities of the SPC in 1993;

—Comrade Le Thanh Dao, chief procurator of the Supreme People's Organ of Control [SPOC], report on activities of the SPOC in 1993; and

—Comrade Nguyen Van Yeu, deputy chairman of the National Assembly Judiciary Committee, report on issues raised in reports of the Chief Judge of the SPC and Chief Procurator of the SPOC.

In the coming days, National Assembly deputies will hold group discussion on issues related to reports presented to the National Assembly during the past two days.

Deputies Hold Group Discussions

BK0812055393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 8 Dec 93

[Text] Deputies attending the Ninth National Assembly's fourth session held group discussions this morning, 8 December, over a government report on the implementation of the National Assembly resolution on political, economic, and social activities in 1993 and on the orientations and tasks for 1994.

Focus on Socioeconomic Development

BK0812140793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Dec 93

[Report by unidentified radio correspondent on 8 December session of the Ninth National Assembly in Hanoi]

[Summary] "Dear friends, today is the third working day of the Ninth National Assembly's fourth session. The deputies held group discussions to contribute opinions on implementing the National Assembly resolution on 1993 socioeconomic development, and orientations and duties in 1994. In the group discussions that we attended, everyone agreed with the government evaluation of the socioeconomic situation in 1993 and in the last three years.

"The most prominent achievements in the last three years are that in the most difficult and challenging conditions we have controlled inflation and gradually stabilized our financial and monetary system, extricating the economy from stagnation to reach a fairly good development rate and basically meeting the local demand for food and consumer goods. Our foreign economic relations have broadened. The export volume has increased and imports have basically met the demand of socioeconomic development. Our national production, which used to be unable to meet local demand, has fulfilled the society's demand and it has some initial savings now. We have achieved an important step in overcoming the socioeconomic crisis to create foundations for development in subsequent years. Together with the affirmation of socioeconomic achievements in past years, the National Assembly deputies comprehensively analyzed each socioeconomic field to draw experiences in successes and failures that need to be overcome in the coming years.

"In industry, the success in 1993 is the production of 1 million tons of crude oil, 500 million kilowatts of electricity, and 500,000 tons of cement. It proves that the government has been successful in its macroeconomic management. However, industrial sectors have not been developed uniformly. Many industries have gotten stuck. Infrastructural investment has not been balanced, and many losses have occurred in this area."

On the subject of production and marketing, Comrade Dinh Hanh of Hanoi city called for more efforts to improve consumption of our industrial products. Deputy Ton That Bach, in his statement, called for measures to improve medical treatment service in state hospitals.

On agricultural production, many deputies suggested measures to improve agriculture; Comrade Tran Quoc Thoai of Ha Tinh Province urged that the food processing industry be improved to help our agriculture production. Comrade Phung Van Tho of Ha Tay Province cited measures applied by his province to improve local production.

"On foreign economic relations, many deputies held that we must conduct more thorough reviews and that we must rely on the spirit of the party resolution in order to correctly evaluate our foreign relations. Under this spirit, a foreign relations economy is aimed at attracting capital investment and modern technology, broadening our market, and improving our competitiveness in the international market. We must avoid the situation of only providing statistical figures for foreign projects with their capital investment but paying no attention to the feasibility of these projects. We have to find measures to end importing of outdated equipment and technology into our country.

"In their group discussions, the National Assembly deputies also profoundly analyzed issues concerning our culture, education, medical, security, and national defense work. In these areas, although we have recorded many successes, we must admit that there still are many problems and shortcomings that need to be overcome. Therefore, we need a comprehensive analysis to correctly evaluate the reality and its causes in order to outline suitable policies and directions for duties in 1994 and beyond.

"Dear friends, tomorrow the deputies will continue to hold group discussions on the 1993 implementation of the National Assembly resolution and on the orientations and tasks for 1994."

* News Conferences To Be Broadcast Live

[Editorial Report] Ho Chi Minh City TUOI TRE CHU NHAT in Vietnamese on 7 November carries on page 3 an announcement by Le Xuan Trinh, minister and chief of the Government Office, at a news conference on 2 November that there is a new directive from the prime minister instructing that effective immediately, information on government activities must be disseminated by the media, including live TV and radio broadcasts of news conferences. Minister Trinh said Deputy Prime Minister Phan Van Khai concurred with the idea.

Minister Trinh also reports the government's official assessment of the country's economy saying that "Vietnam has endured the most difficult part of the crisis." He added that from now on, the government will focus on "mobilizing to the maximum all domestic resources" to use in the development of investment.

Dissident Buddhist Monk Urges Fair Elections

BK0712163293 Hong Kong AFP in English 1442 GMT 7 Dec 93

[Text] Paris, Dec 7 (AFP)—The patriarch of Vietnam's dissident Buddhist church, Venerable Thich Huyen Quang, has called for free elections for a "representative" legislature in a declaration made public here Tuesday.

Quang, leader of the Unified Buddhist Church of Vietnam, also said there should be a revision of the Vietnamese constitution to abolish the governing role of the communist party.

He said there should be "an authentically representative National Assembly."

Quang has been under house arrest since 1982 in a pagoda in Hoi Phuoc in central Vietnam. His declaration was distributed by the International Buddhist Information Bureau based in Paris.

The government should "organise free elections where independent candidates from religious and political outlooks other than the communist party can run."

The patriarch said "obscurantism, poverty, repression, the typical faults of communist countries persist in Vietnam" which he said had failed to learn the lesson of "the failure of this imported system."

Curbs Proposed on Joint Ventures in Beer, Milk

BK0712062193 Hanoi VNA in English 0541 GMT 7 Dec 93

[Text] Hanoi VNA Dec. 7—Joint ventures with foreign partners for investment in milk processing, beer and monosodium glutamate production from now until 2000 should be limited to protect domestic production, the Ministry of Light Industry has announced here recently.

The announcement said joint ventures in processing milk from imported powder materials should be stopped because existing local milk factories with advanced equipment and technologies had been producing competitive products.

The ministry proposed for an increase of 25-30 for import tariff on milk.

Joint ventures in beer and softdrinks production should also be limited and measures should be taken to raise the ratio of local capital contributions, the ministry said.

A limit should also be put to joint ventures in monosodium glutamate production. Four licensed projects, now in their first phase, can already turn out 65,000 tonnes a year, and they may meet the local demand when completed.

Party Leadership at Enterprises, Schools Viewed

BK0612065993 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 4 Dec 93

[Text] In cooperation with the State Committee for Scientific Research Projects under the Program for the Study of the Vietnamese Political System during the Transition to Socialism, the Hanoi Municipal Party Standing Committee held a seminar on 3 December to discuss the renovation of party leadership activities at industrial establishments and at schools.

The seminar was attended by Comrade Pham The Duyet, member of the Political Bureau and secretary of the Hanoi Municipal Party Committee; members of the Municipal Party Standing Committee; and representatives of many party organizations of the Party Central Committee and of Hanoi.

The participants exchanged views and discussed issues recently arising from the vivid realities while clarifying the various theoretical issues and setting forth the requirements for theoretical studies on party building.

The participatants contributed many diverve views on ensuring and increasing the leadership effectiveness of the municipal party organization with specific attention given to the relationship between party committees and enterprise directors and that between party committees and the rectors of the various universities concerned.

They also exchanged views on specific issues such as the measures and mechanisms for satisfactorily ensuring good relationships between the local party organization and the administration and between the the party organization and the mass organizations belonging to various state-run industrial enterprises and various universities.

As an immediate task, various enterprises emphatically called for a war on corruption, more effective business, and the development of the party's leading role vis-a-vis other economic components.

Representatives of various universities emphasized the need to direct the ideological strugle against the peaceful evolution strategy; and improve the training quality.

All the reports pointed out the need to keep the business activities of enterprises and the academic efforts of universities on the socialist path.

Australia

Minister Warns Malaysia of Economic 'Damage'

BK0712101493 Melbourne Radio Australia in English 0630 GMT 7 Dec 93

[From the "International Report" program]

[Text] The Australian Government says there will be uncertainty and possible economic damage because of its diplomatic row with Malaysia. Australia's Foreign Minister Gareth Evans expressed regret that individual Malaysian Government departments could be taking action against Australian companies. The trade fears have arisen because of Malaysian anger at Prime Minister Paul Keating's description of Malaysia's Prime Minister Mahathir as recalcitrant for boycotting the Asia-Pacific summit in Seattle last month. From Canberra Graeme Dobell reports.

[Begin recording] [Dobell] Australia speaks of containing and ultimately resolving the problems with Malaysia but the dispute seems to have reached a standoff. Prime Minister Paul Keating has sent a letter of explanation to Prime Minister Mahathir explaining the circumstances of his recalcitrant remark in Seattle, and Mr. Keating and Foreign Minister Evans have now expressed regret if any offense was caused. That seems as far as the Keating government is prepared to go, pointing out that there are genuine differences of view between Australia and Malaysia over the development of APEC [Asia-Pacific Economic Cooperation], the Asia-Pacific economic group. But the messages coming from Malaysia are that Australia has not gone far enough in apologizing. The Australian opposition is pointing to the commercial damage now facing Australian companies trying to do business in Malaysia leading to questions such as this in parliament.

[Unidentified speaker] Senator Ferguson.

[Ferguson] Senator Evans, representing the prime minister, is the minister aware that yesterday the South Australian forestry company [name indistict] was told that a $200 million contract to manage a reafforestation project in Malaysia, and I quote, can no longer proceed due to the deteriorating relations between Malaysia and Australia, end of quote. This followed an earlier statement by the company's managing director who said, and I quote, we were the leading contender for the consultancy and management of the project, but now we're almost certain it'll go to a European company, and Malaysian office is saying the situation is absolutely desperate and if there is no apology from the prime minister in the next few days it will go to Europe, end of quote. I ask the minister what services or support will he provide to this company in view of its potential multimillion dollar loss caused directly as a result of the irresponsibility and insensitivity of the prime minister, Mr. Keating.

[Dobell] Foreign Minister Gareth Evans denied that Mr. Keating has been irresponsible or insensitive but said Australian firms could face damage in Malaysia.

[Evans] There is going to be uncertainty and possible damage caused as a result of the attitude taken by particular ministries and particular firms, perhaps in Malaysia, that are acting on their own to stage without any formal cabinet decision clearly that hasn't been made, but there's still a capacity for individual companies or individual agencies to take action if they feel inclined to do so.

[Dobell] Senator Evans says Australia is trying to create a cooler climate so both sides can look at the implications of the diplomatic row that has now raged for two weeks. And while conceding that Australian companies may be hurt, the foreign minister also warned Kuala Lumpur that carrying on the argument could have economic repercussions for Malaysia and the way it's viewed by international investors.

[Evans in progress] ...in which on the Malaysian side there will be some considerations given to the impact on their own investment level, on the capacity to receive technology transfers, and on indeed the demonstration effects the countries elsewhere. If this kind of activity is occurring, we want all those factors to be taken into account and the question of the prime minister lacking any sympathy at all for companies in this situation. [sentence as heard] [end recording]